



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
REVENUE RECEIPTS  
GOVERNMENT OF THE PUNJAB  
AUDIT YEAR 2024-25**

**AUDITOR-GENERAL OF PAKISTAN**

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND  
GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES  
FOR THE CITIZENS OF PAKISTAN



## PREFACE

Articles 169 and 170 of Constitution of the Islamic Republic of Pakistan, 1973 read with Section 12 of the Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 empower the Auditor-General of Pakistan to conduct audit of Revenue Receipts of the Provinces.

This report is based on audit of revenue receipts of Government of the Punjab for the financial year 2023-24 including revenue receipts of some formations pertaining to the previous years as well. The Directorate General of Audit, Punjab conducted audit on test check basis with a view to reporting significant findings to the relevant stakeholders.

The Audit Report includes systemic issues and findings. The issues relatively less significant in nature are listed in Annexure-1 of the Audit Report as MFDAC which shall be pursued with the Principal Accounting Officers at the Departmental Accounts Committee (DAC) level, where the PAO does not take appropriate action, the audit observations shall be brought to the notice of the Public Accounts Committee through the next year's Audit Report. Most of the audit observations included in this report have been finalized in the light of decisions of the DAC meetings.

Audit findings indicate the need for adherence to the regularity framework in addition to instituting and strengthening of internal controls to minimize the risk of similar violations and irregularities.

There are certain audit paras which were also reported in previous Audit Reports for the financial years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24. Recurrence of such irregularities is a matter of concern and needs to be addressed.

The Audit Report is submitted to Governor of the Punjab in pursuance of Article 171 of Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.



**Islamabad**  
**Dated: 21<sup>st</sup> February, 2025**

**(Muhammad Ajmal Gondal)**  
**Auditor-General of Pakistan**



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## **ABBREVIATIONS & ACRONYMS**

AGP	Auditor-General of Pakistan
AIR	Audit Inspection Report
ARC	Arazi Record Centre
AMIS	Audit Management Information System
BOR	Board of Revenue
CPR	Computerized Payment Receipt
CSC	Chief Settlement Commissioner
DAC	Departmental Accounts Committee
DC	District Collector
DISCOs	Distribution Companies
DPAC	District Price Assessment Committee
DRTA	District Regional Transport Authority
E-IMS	Electronic Invoice Monitoring System
ET&NC	Excise, Taxation & Narcotics Control
FIR	First Information Report
FBR	Federal Board of Revenue
GARV	Gross Annual Rental Value
GIS	Geographic Information System
ISSAIs	International Standards of Supreme Audit Institutions
KIBOR	Karachi Inter Bank Offer Rate
LRMIS	Land Record Management Information System
MFDAC	Memorandum for Departmental Accounts Committee
MRA	Motor Registration Authority
MTMIS	Motor Transport Management Information System
MVT	Motor Vehicle Tax
MVRS	Motor Vehicles Registration System
NTDC	National Transmission and Dispatch Company
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PIDC	Punjab Infrastructure Development Cess
PITB	Punjab Information Technology Board
PLRA	Punjab Land Record Authority
PMFL	Pakistan Made Foreign Liquor

PRA	Punjab Revenue Authority
PRAL	Pakistan Revenue Automation limited
PST	Punjab Sales Tax
PSV	Public Service Vehicles
PTD	Provisional Transfer Deed
PTV	Pakistan Television
PT-1	Property Tax Form-1
PT-17	Property Tax Form 17
PWWF	Punjab Worker Welfare Fund
SLA	Service Level Agreement
SMBR	Senior Member, Board of Revenue
PT-8	Property Tax Form-8
PWWF	Punjab Worker Welfare Fund
TDAS	Transport Department Automation System
TDR	Term Deposit Receipt
UIPT	Urban Immoveable Property Tax
VICS	Vehicle Inspection & Certification System
WAPDA	Water and Power Development Authority
WeBOC	Web Based One Custom

## EXECUTIVE SUMMARY

The office of Director General Audit, Punjab carries out audit of revenue receipts of Government of the Punjab, collected by the Board of Revenue, Excise, Taxation & Narcotics Control Department, Punjab Revenue Authority and Transport & Masstransit Department in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

This report contains four (04) chapters incorporating results of audit of receipts of above-mentioned departments of Government of the Punjab carried out for the financial year 2023-24 and receipts of some formations from the previous years.

The report calls for attention to a set of issues, including a consistent disregard towards prescribed framework for recovery of taxes, poor record management, lack of transparency in tax collection mechanism and mismanagement of receipts. It emphasizes upon the need for strengthening internal controls and initiating effective accountability of the officials responsible for less recovery and short assessment of taxes.

### **a. Scope of Audit**

The tax and non-tax receipts for Government of the Punjab for the financial year 2023-24 are Rs. 326.49 billion and Rs. 136.83 billion respectively. This office has the mandate to conduct revenue receipts audit of 1006 formations under six Principal Accounting Officers (PAOs). Receipts collected by departments were Rs. 332 billion<sup>1</sup> (Tax and Non-Tax Receipts) for the financial year 2023-24.

Audit coverage relating to receipts for the current Audit Year comprises 50 formations of four PAOs having total receipt of Rs. 270 billion up to the financial year 2023-24. In terms of percentage, the audit coverage for receipts is 81% of auditable taxes.

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<sup>1</sup> Civil Accounts 2023-24 Govt. of the Punjab

**b. Recoveries at the instance of audit**

As a result of audit, a recovery of Rs. 264,604 million has been pointed out in this report. Recovery made by the departments from February, 2024 to January, 2025 remained Rs. 118.665 million<sup>2</sup> which has been verified by Audit.

Whereas, recovery of Rs. 264,604 million as stated above includes Rs. 126,015.87 million against which departments already have raised the demands but plan in respect of recovery is not available with the departments.

**c. Audit Methodology**

This office conducted the detailed audit exercise, combining an elaborate planning process with a set of robust execution techniques. Salient features of audit methodology are outlined below:

The planning files were prepared covering all areas of activities of the auditee formations besides details of their budget, organizational and legal framework. A risk assessment exercise was carried out to identify risk areas. This was followed by issuance of work programs in line with risk analysis.

In order to conduct audit and collect evidence, audit teams performed inspection of auditee formations. On conclusion of field audit, formal exit meetings were held with responsible officials of the auditee formations which led to issuance of a formal audit & inspection report. Another opportunity was provided to the management to offer their annotated responses to the audit observations by requesting the PAO to hold meetings of the DAC. An internal quality review was performed to evaluate the adequacy of audit findings in terms of auditing standards. An external quality review was also carried out to shape up the final contours of the Report for the intended stakeholders.

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2. P & M Section

**d. Audit impact**

As a result of compliance audit review involving both macro level and micro level analysis of provincial tax departments/entities, management of departments/entities were facilitated by suggesting corrective measures and operational improvements in assessment mechanism and collection of taxes. Accordingly, the Administrative Departments admitted audit observations relating to:

- i. Non-recovery of penalty on purchase of property through non-banking channel - Rs. 2,821.73 million
- ii. Less realization of withholding tax from buyers on transfer of immovable property - Rs. 1,214.30 million
- iii. Short realization of stamp duty on transfer of immovable property - Rs. 1,274.218 million
- iv. Short assessment of property tax due to considering rented properties as self - Rs. 4,459.919 million
- v. Less realization of property tax due to applying incorrect valuation categories - Rs. 243.076 million
- vi. Short realization of vend fee - Rs. 22.313 million
- vii. Non assessment of minimum or actual tax liability for taxable services - Rs. 397.071 million
- viii. Non-imposition of penalties over non-operational VICS stations- Rs. 9.65 million
- ix. Inadequate installed capacity for inspections of 2.331 million vehicles causing smog and environmental hazards

This office also assisted the departments responsible for collection of receipts by pointing out the observations related to the value for money and functional areas improvements involving the mismanagement of state land, gaps in system assurances relating to Stamp Duty and advance income tax. Moreover, the management was sensitized to urgently address accumulation of arrears, want of compatibility of target setting mechanism

with actual potential of tax collection and non-utilization of WeBOC (Web Based One Custom) data for registration of vehicles. Dormant role of the Punjab Revenue Authority (PRA) for documentation of economy and non performing functions for enhancement of tax base for sales tax on services was also highlighted.

In compliance of audit observations, Board of Revenue issued direction for recovery of penalty for using non-banking channel for payment of value of immovable property and clarification regarding legal status of release deeds executed under Article 55 of the Schedule-I of the Stamp Act, 1899 with direction to ensure the recovery of taxes as per law.

**e. Comments on Internal Controls.**

Internal controls in government departments consist of systems and processes under controlled environment that extend support to management in achieving the government's policy objectives.

This report identified certain weaknesses in the internal control systems which resulted in short realization of property tax, stamp duty and withholding taxes. Audit also noticed non-recovery & short assessment of motor vehicle taxes and Punjab sales tax on services could be rectified through effective internal controls.

**f. The key audit findings of the report are enumerated as follows:**

- Non-recovery of penalty on purchase of property through non-banking channel in 4700 cases -Rs. 2,821.73 million<sup>1</sup>
- Less- realization of withholding tax from buyers on transfer of immovable property in 8,478 cases -Rs.1,214.30 million<sup>2</sup>
- Short realization of stamp duty on transfer of immovable property in 7131 cases -Rs. 1,274.218 million<sup>3</sup>
- Short assessment of property tax due to considering rented properties as self in 22,906 cases - Rs. 4,459.919 million<sup>4</sup>
- Less realization of property tax due to applying incorrect valuation categories in 11,186 cases - Rs. 243.076 million<sup>5</sup>
- Short realization of vend fee in 5 cases of Rs. 22.313 million<sup>6</sup>
- Non assessment of minimum or actual tax liability for taxable services in 4,115 cases- Rs. 397.071 million<sup>7</sup>
- Non-Penalizing the operators due to non-operational VICS stations and offences. Rs. 9.65 million<sup>8</sup>
- Inadequate installed capacity for inspections of 2.331 million vehicles causing smog and environmental hazards<sup>9</sup>

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1.	Para 1.4.1
2.	Para 1.4.3
3.	Para 1.4.2
4.	Para 2.4.1
5.	Para 2.4.3
6.	Para 2.4.23
7.	Para 3.4.7
8.	Para 4.4.3
9.	Para 4.4.8

**g. Recommendations**

The management of tax collecting agencies is required to:

- Strictly ensure the realization of withholding taxes and documentation of economy by subscribing to the use of banking channels for payment of consideration of immovable property.
- Automated system for application of correct valuation of land as per district collector rates be devised for computation of stamp duty and mutation fee.
- Collection of penalty must be ensured at the time of registration on non-submission of approved building plans.
- Collection of taxes must be ensured from housing societies selling files without payment of taxes.
- Prescribed auction procedure must be adopted for state land besides ensuring recovery of government dues in time.
- System should be formulated to ensure the recovery of property tax against the assessed properties.
- IT based classification system should be in-placed for identification and proper assessment of customized educational institution/offices.
- Identification of unregistered service providers to broaden tax net.
- Increase the capacity for vehicle inspection.

## SECTORAL ANALYSIS

The Government of the Punjab generates its revenue primarily through Punjab Revenue Authority, Board of Revenue, Excise, Taxation & Narcotics Control Department and Transport & Masstransit Department. The revenue targets are assigned to each department to utilize their revenue potential by involvement of human and information technology resources.

A brief overview of the tax receipts collected by the departments during the financial year 2023-24 along with identification of some internal control weaknesses is illustrated below:

### 1. Budgeted Estimates

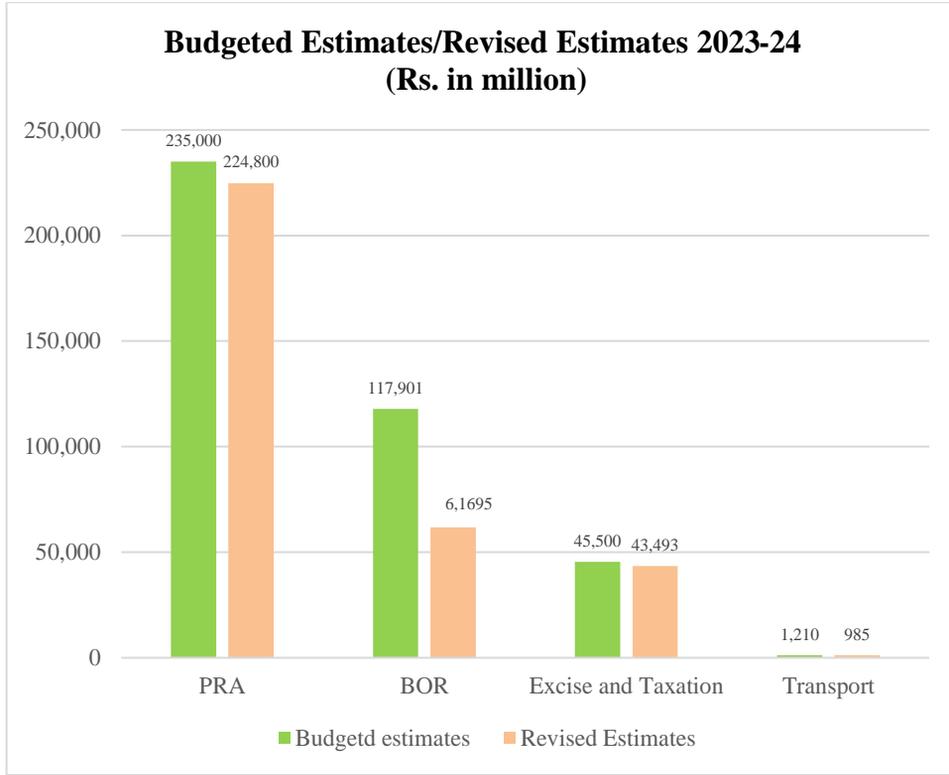
As per Estimates of Receipts for financial year 2023-24, the difference between Budgeted Estimates and Revised Estimates for the financial year 2023-24 is shown in the table below:

#### Comparison of Revenue Receipts (Estimates and Revised)

(Rs. in million)

Department	Year	Budgeted Estimates	Revised Estimates	Percentage %
PRA	2023-24	235,000	224,800	-4.34%
BOR	2023-24	117,901	61,695	-47.67%
Excise	2023-24	45,500	43,493	-4.41%
Transport & Masstransit	2023-24	1,210	985	-18.61%
<b>Total</b>		<b>399,611</b>	<b>330,973</b>	<b>-17.2 %</b>

Data Source: (Annual Budget Statement 2023-24 & Civil Accounts 2023-24 Govt. of the Punjab)



**Data Source: (Annual Budget Statement 2023-24 & Civil Accounts 2023-24 Govt. of the Punjab)**

A glance at the budgeted estimates reveals that Punjab Revenue Authority and Excise, Taxation & Narcotics Control Department revised their budgeted estimates downward by 4.34%, 4.41% and 18.61% respectively. Whereas, it is worth mentioning that BOR reduced their annual budgeted estimates approximately by half (47.67%) which indicates irrational targets allocation.

The receipt targets of these departments were reduced during the financial year which displays limitations and capacity issues in resource and revenue planning. Irrational estimation of original targets shown in Budget Book needs to be revisited by the provincial tax/receipts collecting agencies

and Finance Department to improve allocation and mobilization of resources for welfare of masses.

## 2. Performance of Tax Collecting Agencies

As per financial statement, total receipt collection was Rs. 332 billion in year 2023-24 which was Rs. 298 billion in the previous year. Hence, tax collection during the financial year 2023-24 increased by Rs. 33 billion.

### Comparison of Actual Receipts

*(Rs. in million)*

Department	Actual Receipts 2022-23	Actual Receipts 2023-24	Increase/Decrease of Receipts in 2023-24
PRA	197,555	224,702	27,147
BOR	61,333	63,053	1,720
Excise	38,754	43,607	4,853
Transport	1,282	963	-319
<b>Total</b>	<b>298,924</b>	<b>332,325</b>	<b>33,401</b>

Data Source: (Civil Accounts 2023-24 Govt. of the Punjab)

The above table illustrates that PRA, BOR and Excise, Taxation & Narcotics Control Department showed incremental growth in comparison to previous year's actual collection. However, the actual receipts collected by Transport & Masstransit Department was less than even previous year's collection. This reflects average performance of the department regarding achievement of the revenue targets for the financial year 2023-24 and required to be perused by the Government of the Punjab.

## Analysis of Five Year Average Receipts with Receipts 2023-24

(Rs. in million)

Department	Average Receipts (Five Year)	Actual Receipts 2023-24	Increase/Decrease	Percentage %
PRA	139,398	224,800	85,402	61.26%
BOR	60,895	61,695	800	1.31%
ET& NC	31,814	43,493	11,679	36.71%
Transport & Masstransit	873	985	112	12.83%
<b>Total</b>	<b>232,981</b>	<b>330,973</b>	<b>97,992</b>	<b>42.06%</b>

Analysis above revealed that PRA and ET& NC Department posted significant growth. BOR and Transport & Masstransit Department had progressed with peripheral growth.

### Variance Analysis of Actual Receipts with Budgeted Estimates

(Rs. in million)

Department	1	2	3	Variation Revised & Actual (%)	Variation Budgeted & Actual (%)
	Budgeted Estimates	Revised Estimates	Actual receipts		
PRA	235,000	224,800	224,702	-0.04%	-4.38%
BOR	117,900	61,694	63,052	2.20%	-46.52%
Excise	45,500	43,493	43,606	0.26%	-4.16%
Transport & Masstransit	1,209	984	963	-2.19%	-20.39%

Data Source: (Annual Budget Statement 2023-24 & Civil Accounts 2023-24 Govt. of the Punjab)

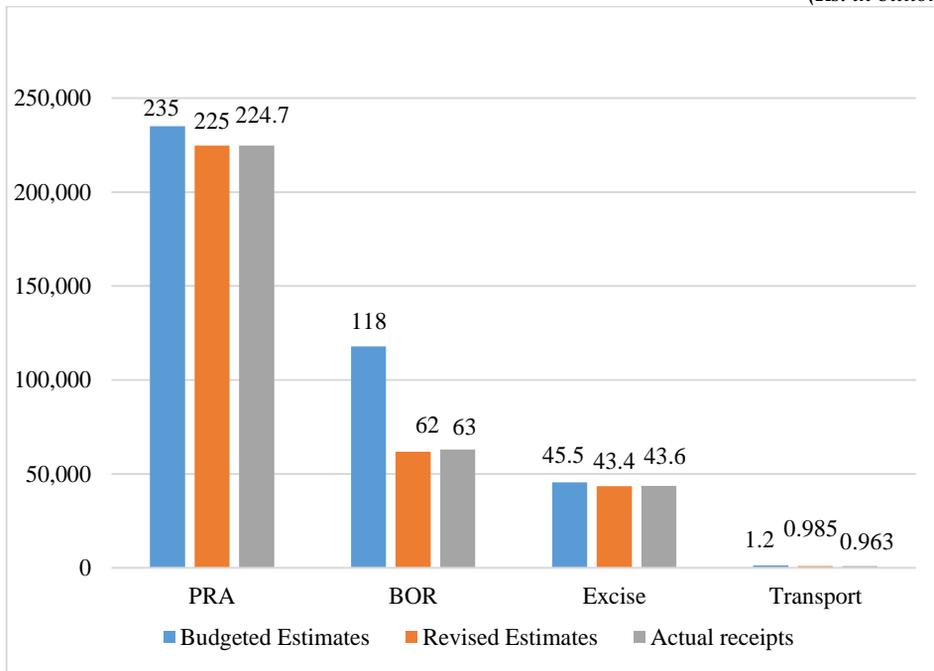
The above table illustrates that PRA and Transport & Masstransit Department were unable to achieve even its revised tax revenue targets. The

shortfall of these departments was 0.04% and 2.19% respectively. However, BOR and Excise, Taxation & Narcotics Control Department surpassed their revised target by 2.20 % and 0.26% respectively.

Poor planning of budgetary targets of taxes at the start of financial year and downward revision of targets in mid of the financial year revealed an undue advantage to the department to portray a story of success. The same is depicted in the Bar Chart below:

**Comparison of Budgeted Estimates, Revised Estimates and Actual Receipts for Financial Year 2023-24**

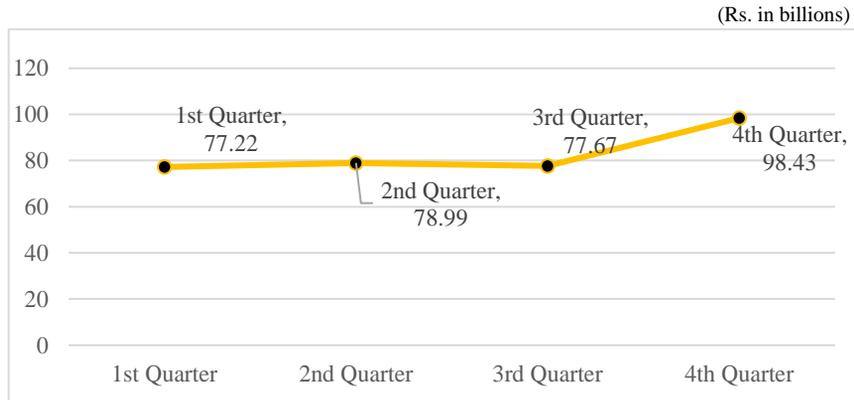
*(Rs. in billion)*



Data Source: (Annual Budget Statement 2023-24 & Civil Accounts 2023-24 Govt. of the Punjab)

Moreover, the quarterly trend of recovery during the financial year 2023-24 is as under:

### Quarterly trend analysis of Actual Receipts for Financial Year 2023-24



Data Source: (Civil Accounts 2023-24 Govt. of the Punjab)

### 3. Significant financial and administrative weaknesses

The audit has highlighted certain procedural, systemic and regularity weaknesses within the tax collecting bodies which are:

- Discriminatory and non-implementation of the Punjab Sales Tax on Services Act, 2012 and rules made thereunder resulted in less collection of tax under various categories of services like restaurant, hotels and various franchises.
- PRA being apex revenue collecting entity, equipped with better IT resources and having the liberty in spending patterns due to autonomous status, failed to ascertain the validity of self-assessed returns by declaring the turnover as nil.
- Non-transparent practices of various formations of Board of Revenue resulted in the illegal occupation of state land and breach of statement of conditions, violated by the allottees/lessees as well as encroachers of state land.

- Depositing the price of state and Evacuee land in commercial accounts and non-transparent price assessment for sale of state land or acquisition land for projects
- Unauthorized land occupation by Gymkhana clubs and land lease for commercial purposes in reserved forest areas.
- The formations of Board of Revenue had not imposed *tawan* on retrieval of state land being occupied and encroached upon in violation of policy.
- Weak internal controls for application of withholding provisions of Income Tax Ordinance, 2001 resulted in less recovery of federal tax mandated to various formation of Board of Revenue.
- Improper utilization of IT system by Excise Department led to application of lower categories of rates to localities, wrong assessment of five-star hotels, incorrect applications of rates to customized schools & godowns and established commercial markets & clusters erroneously having been assessed as off-road instead of on-road.
- Inability of department to apply accurate valuation of immovable property for assessment of mutation fee and stamp duty.
- Weak reconciliation mechanism for revenue receipts resulting into variation in revenue figures.
- Non-compensating the injured or died passengers in road accidents and inability of Transport & Masstransit Department to issue the vehicle fitness certificates.

#### **4. Recommendations**

The tax machinery of the province needs to strengthen the processes of tax assessments, collection and administration by introducing IT based systems having linkages with data of regulatory or licensing bodies. For this purpose, the following corrective measures may be implemented:

- Data pertaining to various taxation agencies be integrated on the basis of common attributes for maximum recovery of withholding Income tax.
- Internal controls over allotment of state land, illegal or unauthorized occupation and breach of statement of condition are required to be strengthened. Penal action needs to be taken against the persons violating the policy in this respect.
- The computerized system for collection of property tax be reviewed for application of correct valuation categories. Correction of attributes for special properties i.e. customized schools & hotels be made as per actual on ground survey and realistic estimations.
- Exhaustive survey and fair implementation of legal provisions compatible with automated mechanism is required for broadening of tax base for sales tax on services.
- Revenue targets must be set after detailed analysis as per potential and capacity of the revenue collection departments.

# CHAPTER 1

## BOARD OF REVENUE

### ***1.1 Introduction***

The Board is a controlling authority in all matters connected with the administration of land, collection of government dues and other related matters. The Senior Member Board of Revenue is in-charge of the Board.

The Board is the custodian of rights of the land holders and is the highest revenue court in the province with Appellate/Provisional jurisdiction against orders of subordinate Revenue Officers/Courts including Commissioners and Collectors. It consists of the following departments/functional units:

**a) *Revenue Department***

Main functions of the Revenue Department include survey of land preparation and maintenance of land records and act as a court of appeal in revenue cases and recovery of government revenue.

**b) *Colonies Department***

Main functions of Colony Department are administration, management, transfer and disposal of state land. Colonies Department is also responsible for retrieval of state land from encroachers.

**c) *Settlement and Consolidation Department***

The main function of the Consolidation Department is to consolidate scattered holdings of landowners in compact blocks to make land-use more productive and meaningful.

**d) *Settlement & Rehabilitation Wing***

The main function of the Settlement & Rehabilitation Wing is disposal of settlement cases by the court of Chief Settlement Commissioner and available evacuee properties (urban and rural).

e) ***Punjab Land Record Authority***

Function of the Punjab Land Record Authority (PLRA) is to supervise revenue work in the province at Computerized *Arazi* Record Centers in all tehsils of the province.

**Other functional units are:**

- Administration Wing
- Directorate of Land Records
- Punjab Land Commission

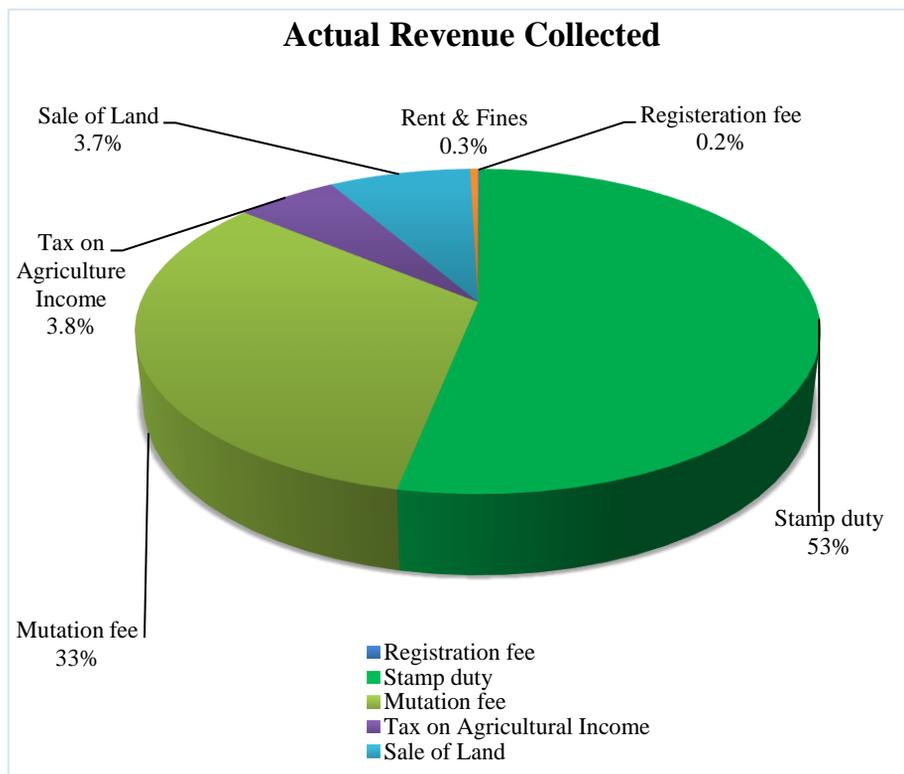
***Audit profile of Board of Revenue***

*(Rs. in million)*

<b>Sr. No</b>	<b>Description</b>	<b>Total No</b>	<b>Audited</b>	<b>Revenue/Receipts Financial Year 2023-24</b>
1	Formations	784	25	24,447
2	Assignment Accounts SDAs	-	-	-
3	Authorities/Autonomous Bodies etc.	1	1	-

**B) Comments on Budgeted Receipts (Variance Analysis)**

During the financial year 2023-24, Board of Revenue collected an amount of Rs.63.05 billion against the revised estimates of Rs. 61.69 billion. The distribution of receipts collected by the functional units of Board of Revenue under different heads are shown blow:



Data Source: (Civil Accounts 2023-24 Govt. of the Punjab)

From the chart above, it is clear that in the financial year 2023-24, the major portion of Rs. 54.13 billion (86%) of receipts collected by the Board of Revenue came from two heads i.e., stamp duty and mutation fee.

A comparison of budgeted estimates, revised estimates and actual receipts for the financial year 2023-24 is tabulated below. The variation

between the revised estimates and actual receipts are illustrated both in absolute and percentage terms:

### Variance Analysis for Board of Revenue 2023-24

(Rs. in million)

S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation (+)excess/ (-) less Col.-6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Registration fee	B01311	190.00	67.00	57.69	-9.31	-13.90%
2	Stamp duty	B02701	60,418.00	32,680.00	33,463.10	783.1	2.40%
3	Mutation fee	B01417 & B01418	23,315.50	20,095.00	2,0670.23	575.23	2.86%
4	Tax on Agricultural Income	B01173	2,850.00	3500.90	3,566.92	66.02	1.89%
6	Sale of land	C3701 to C3705,07, 09,22 and 25	30,440.00	4991.73	5,017.94	26.21	0.53%
7	Rent & Fines	B1406 to B1409	687.20	360.15	276.91	-83.24	-23.11%
<b>Total</b>			<b>117,900.70</b>	<b>61,694.7</b>	<b>63,052.79</b>	<b>1358.01</b>	<b>2.20%</b>

(Data Source: Annual Budget Statement 2023-24 & Civil Accounts 2023-24)

The above figures highlight the actual receipts of Board of Revenue which were 2.20 percent greater than the revised estimates of the receipts.

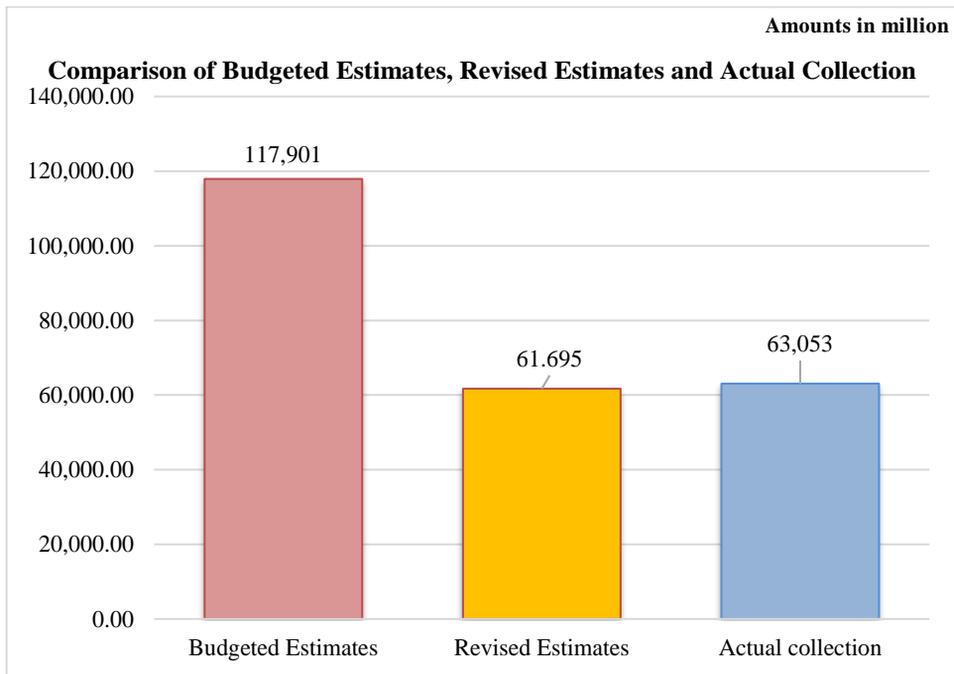
The receipt targets during the financial year were reduced from Rs. 117.90 billion to Rs. 61.69 billion, showing a decrease of 47.67 percent of original budgeted estimate. This shows limitations and capacity issues in overall revenue collection process. Comparison of receipts targets and actual receipts against previous year is as under:

## Comparison of Budgeted, Revised and Actual Receipt

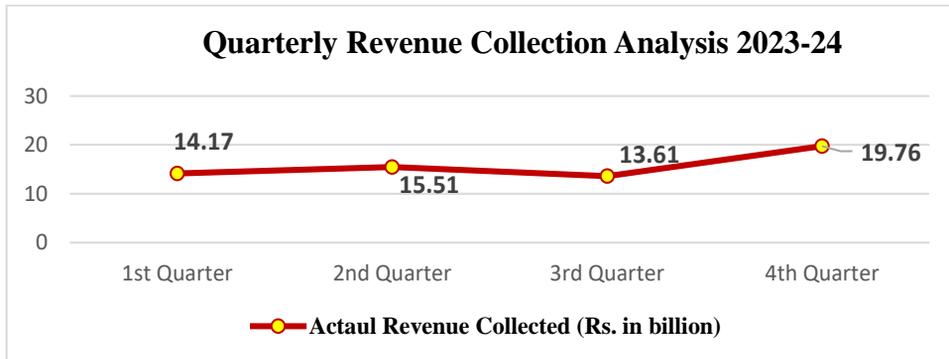
(Rs. in million)

Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2022-23	108,776.32	90,065.21	61,333.33
2023-24	117,900.70	61,694.78	63,052.79

(Data Source: Annual Budget Statement 2023-24 & Civil Accounts 2023-24)



The quarterly tax revenue collection during the financial year 2023-24 is as under:



(Data Source: Civil Accounts 2023-24)

The above line chart shows a significant upward trend of revenue collected by the department in 4<sup>th</sup> quarter.

## 1.2 Summary of Audit Observations

Audit observations amounting to Rs. 12,383.33 million pertaining to provincial receipts were raised in this report during the audit of Board of Revenue. Whereas, recovery of Rs. 12,383.33 million as stated above includes Rs. 1134.102 million against which department already has raised the demands but plan in respect of recovery is not available with the departments.

Summary of the audit observations classified by nature is as under:

### Overview of audit observations

<i>(Rs. in million)</i>		
Sr. No	Classification	Amount
1	Non production of record	0
2	Irregularities (Non/less realization of Govt revenue)	9,354.33
3	Value for money	3,029

### ***1.3 Brief Comments on the Status of Compliance with PAC Directives***

The status of compliance with PAC directives, for reports discussed so far, is given below:

<b>Sr. No</b>	<b>Audit Report Year</b>	<b>Total Paras</b>	<b>Compliance received</b>	<b>Compliance not received</b>	<b>Percentage of compliance</b>
1	1992-1993	20	6	14	30
2	1994-1995	20	10	10	50
3	1996-1997	28	5	23	18
4	1997-1998	8	0	8	0
5	1998-1999	14	0	14	0
6	1999-2000	12	0	12	0
7	2000-2001	12	2	10	17
8	2001-2002	15	0	15	0
9	2003-2004	17	0	17	0
10	2006-2007	17	2	15	12
11	2009-2010	18	7	11	39
12	2010-2011	13	9	4	69
13	2012-2013	22	3	19	14
14	2015-2016	18	0	18	0
<b>Total</b>		<b>234</b>	<b>44</b>	<b>190</b>	<b>19</b>

The compliance with the PAC directives in respect of the Board of Revenue for the years 1994-95 & 2010-11 is satisfactory with aggregate of 60% compliance. However, compliance for the years 1997-98, 1998-99, 1999-00, 2001-02, 2003-2004 & 2015-16 was Nil and over all compliance rate is 19 %.

## 1.4 AUDIT PARAS

### *Irregularities*

#### ***1.4.1 Non-imposition of penalty on purchase of property through non-banking channel -Rs. 2,821.73 million***

The Finance Act, 2019 amending Section 75 of the Income Tax Ordinance, 2001 with insertion of sub-section “A” states that “any person who purchases immovable property having fair market value greater than rupees five million through cash or bearer cheque shall pay a penalty of five percent of the value of property determined by the Federal Board of Revenue under sub-section (4) of Section 68 of Income Tax Ordinance, 2001 or by the provincial authority for the purposes of stamp duty, whichever is higher”.

During examination of record of revenue offices, it was revealed that twenty attesting and registering authorities had not charged the penalty in 4700 cases where payment was made through non-banking channels for the properties having value more than five million. This failure has deprived the state from crucial information that could be utilized to expand the tax base and bring more individuals into the tax net.

Audit is of the view that weak internal and administrative controls resulted in non-realization of the penalty amounting to Rs. 2,928,590,760 (**Annex. 2**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 2,821,726,550 after verification of Rs. 106,864,210 and directed the department to recover the remaining amount at the earliest.

Audit recommends to promptly investigate the matter, recovering the penalty without delay, and addressing weak internal controls to prevent recurrence.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Years 2021-22, 2022-23 & 2023-24 vide para number 1.4.1 and 1.4.2 having financial impact of Rs. 6,026 million. Recurrence of same irregularity is a matter of serious concern.

#### ***1.4.2 Short realization of stamp duty on transfer of immovable property -Rs. 1,274.218 million***

Sub-section (2) of Section 27-A of the Stamp Act, 1899 states that “where an instrument mentioned in sub-section (1) relates to an immovable property consisting of land and structure including a multi-story building, such instrument shall state the value of the land and structure separately, and stamp duty on the structure shall be calculated as per the covered area or the area of the structure mentioned in the instrument whichever is higher, and in case there is no approved building plan attached, two percent duty of the value of land in addition to payable duty shall be charged as prescribed by the Punjab Finance Act, 2021.

Further, Section 27-A of the Act *ibid* states that stamp duty leviable on conveyance, exchange and gift deeds are required to be calculated according to the valuation table notified by the District Collector concerned at the rate of one percent as prescribed in the Punjab Finance Act, 2020.

During examination of record of sixteen revenue offices, it was observed that registering authorities charged stamp duty at lower rates than applicable as per schedule rates notified by Additional District Collector causing loss to government. Two percent additional stamp duty on constructed properties lacking approved building plans was also not enforced in the relevant cases.

Audit is of the view that weak internal and administrative controls resulted in non-recovery of stamp duty amounting to Rs. 1,290,305,228 in 7131 cases. (**Annex-3**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 1,274,218,455 after verification of Rs. 16,086,773 and directed the department to recover the remaining amount at the earliest.

Audit recommends to examine the matter to identify responsibility for the underpayment of stamp duty and inaction regarding non-submission of approved maps besides ensuring the recovery of the outstanding amount.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 1.4.2, 1.4.5, 1.4.6, 1.4.8, 1.4.14 and 1.4.14 having financial impact of Rs. 2,026 million. Recurrence of same irregularity is a matter of serious concern.

#### ***1.4.3 Non/less realization of withholding tax from buyers on transfer of immovable property -Rs. 1,214.30 million***

According to Section 236-K of the Income Tax Ordinance 2001, as amended through Finance Act, 2023, advance tax is chargeable @ 3% from filer and 10.5% from non-filer from the purchaser of the property at the time of registering or attesting/executed transfer of immovable property.

During examination of record of twenty revenue offices, it was noticed that there were 8478 cases of inactions in respect of recovery of advance withholding tax levied on purchase of immovable properties involving non-recovery of tax from buyers of properties. Further, rates

prescribed for filers were applied to non-filers for reduction in recoverable taxes.

Audit is of the view that weak internal and administrative controls resulted in less realization of government revenue amounting to Rs. 1,296,201,162 (**Annex-4**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 1,214,300,428 after verification of Rs. 81,900,733 and directed the department to recover the remaining amount at the earliest.

Audit recommends to investigate the matter and ensuring the prompt recovery of government dues without further delay.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22, 2022-23 & 2023-24 vide para number 1.4.1, 1.4.3, 1.4.4 & 1.4.6 having financial impact of Rs. 8,822 million. Recurrence of same irregularity is a matter of serious concern.

#### ***1.4.4 Non-recovery of stamp duty -Rs. 1,237.106 million***

The Stamp Act-1899 empowers the government officers concerned under Section 73 to inspect books, registers, papers, documents, proceedings for the purpose to secure any duty or to prove or lead to the discovery of any fraud or omission in relation to any duty. Section 54 of the Transfer of Property Act 1882 and Section 17 (1) of the Registration Act, 1908 requires that such transfer in the case of immovable property of the value of Rs. 100 and above or in the case of a reversion or other intangible thing can be made only by a registered instrument.

During examination of record of Chief Inspector Stamps under the ambit of SMBR, Lahore, it was revealed that the housing societies did not

recover the stamp duty amounting Rs. 1,134,102,150. Simultaneously, the delisting mechanism for recovered stamp duty of Rs. 108,558,848 was also not followed as per prescribed guidelines.

Audit is of the view that weak internal and administrative controls resulted in non-recovery of stamp duty and non-delisting of stamp papers amounting to Rs. 1,242,660,998.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025 the department accepted the contention of audit and recovery of Rs. 5,554,940 was made and accepted by audit. Para is kept pending for recovery of Rs. 1,237,106,058.

Audit recommends that immediate steps are needed to be taken for recovery of dues and delisting of stamp papers.

[AMIS Para ID 2024-0000002768\_F00010]

#### ***1.4.5 Less-realization of withholding tax u/s 236-C from sellers on transfer of immovable property -Rs. 769.40 million***

According to Section 236-C of the Income Tax Ordinance 2001, as amended through Finance Act, 2023, advance tax is chargeable @ 3% from filer and 6% from non-filer from the seller of the property at the time of registering or attesting/executed transfer of immovable property. Furthermore, according to FBR Circular No.C.No.4 (62) ITP/2014 dated 21-10-2015 where only following relatives was exemption of FBR taxes on gift deed e.g. spouse, father, mother, son, daughter, brother & sister.

During examination of record of twenty revenue offices, it was noticed that there were 8942 cases of inactions in respect of recovery of withholding taxes from seller of properties.

Further, rates prescribed for filers were applied to non-filers for reduction in recoverable taxes and advance tax to provide undue benefits to owners of properties. Moreover, advance tax was not charged on lease deeds for land having lease period of 10 years or beyond and less collected on exchange deeds causing loss to state exchequer for the period up till 2023-24.

Audit is of the view that weak internal and administrative controls resulted in less realization of government revenue amounting to Rs. 833,417,102 (**Annex-5**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 769,402,635 after verification of Rs. 64,014,467 and directed the department to recover the remaining amount at the earliest.

Audit recommends to probe the matter besides recovery of the Government dues without further delay.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22, 2022-23 & 2023-24 vide para number 1.4.1, 1.4.4 & 1.4.5 having financial impact of Rs. 825 million. Recurrence of same irregularity is a matter of serious concern.

#### ***1.4.6 Non-deposit of funds in Government Treasury -Rs. 483.45 million***

According to Article 118 of the Constitution of the Islamic Republic of Pakistan states that “all revenues received by the Provincial Government, all loans raised by that Government, and all moneys received by it in repayment of any loan, shall form part of a consolidated fund, to be known as the Provincial Consolidated Fund.

During the audit of Senior Member Board of Revenue (SMBR) for the year 2023-24, it was revealed that the Privatization Board sold properties valuing Rs. 111.579 million and consideration of the same was invested by the department in shape of Term Deposit Receipt (TDR) against the law.

Furthermore, Settlement & Rehabilitation (S&R) wing requested Finance Department to submit a guarantee in Supreme Court Registry of Rs. 196 million in case of compensation to land owner but such amount was deposited in commercial account instead of handing over the same cheque to the Registrar of the Court.

The bank account details further revealed that Rs. 83,787,319 and Rs. 259,501,517 (including 196 million above) still remains with the bank without any justification and policy. Further, S&R department has made investment amounting to Rs. 28.579 million in the Bank of the Punjab but no record in this respect was available.

Audit is of the view that weak internal and administrative controls resulted in non-deposit of funds in Government Treasury amounting to Rs. 483,446,836.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation did not provide any documentary evidences supporting the progress or stance taken during the meeting. Therefore, the committee kept the para pending for compliance.

Audit recommends to deposit all revenue into the treasury along with the applicable interest. Additionally, responsibility be fixed for

depriving the state from revenue and non-compliance with laws related to account maintenance.

[AMIS Para ID 2024-0000002768\_F00011]

***1.4.7 Short-realization of taxes due to misclassifying the transfer of land by treating renouncement of claim “dastbardari” -Rs. 426.69 million***

Article 55 of the Schedule-I of the Stamp Act, 1899 states that release, is any instrument (not being such a release as is provided for by Section 23-A) whereby a person renounces a claim on another person or against any specified property. Further clarification vide letter No. 1466 dated 15-08-2024 states that “where each of two rival claimants to a property claim to be a sole and full owner of property, but in order to resolve to avoid litigation agree to release, in favor of other, certain portion of it, the deed executed by each of them is a deed of release liable to stamp duty under article 55 of schedule 1 to the Stamp Act.

During examination of record of eight revenue offices, it was observed that transfer of ownership was attested as “dastbardari” in 496 cases. Whereas, as per clarification issued by Law and Parliamentary Affairs Department, ownerships could only be transferred in shape of sale, hiba and other modes as available in the Act *ibid*.

Audit is of the view that weak internal controls and wrong interpretation of law resulted in less realization of government revenue amounting to Rs. 426,770,425 (**Annex-6**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 426,694,426 after verification of

Rs. 75,999 and directed the department to recover the remaining amount at the earliest.

Audit recommends to investigate the matter and ensuring the prompt recovery of government dues without delay.

#### ***1.4.8 Non-recovery of lease rent and tawan from Gymkhana Clubs -Rs. 395.69 million***

According to Government of the Punjab, Colonies Department vide Notification No. 496-2023/879-CL-II, dated 10.05.2023 promulgated policy for grant of lease of state land for 15 years (extendable) on following terms & conditions:

- i. The rent of state land will be charged @ 10% of market of the current market rent assessed by District Rent Assessment Committee approved by Provincial Price Assessment Committee, with 5% annual increase;
- ii. The lease period should be 15 years, extendable;
- iii. Government servants will be charged subsidized rent for stay;
- iv. Government servants shall get 80% concession in membership fee of the respective clubs;
- v. The clubs shall promote sports activities and arrange for tournaments and competitions; and
- vi. The Member (Colonies), Board of Revenue, Punjab may be authorized to approve or sanction the land on the above terms and conditions

During the audit of SMBR for the year 2023-24, it was revealed that government of the Punjab has issued a policy to revise statement of condition of land occupied by Gymkhana or Clubs operating in the Punjab. Whereas, neither illegal possession was retrieved nor any action was taken by responsible authority against the clubs occupying the state land even after expiry of lease period causing loss to government in shape of tawan

approximately Rs. 309,613,000 and Rs. 86,072,500 in shape of annual rent after issuance of policy.

Audit is of the view that weak internal and administrative controls resulted in non-recovery of lease rent and tawan from Gymkhana Clubs - amounting to Rs. 395,685,500.

When pointed out during in the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in the month of January, 2025, the department intimated that rent assessment process has been initiated and direction for imposition of tawan has been circulated to formations concerned. Hence, the committee kept the para pending the para for compliance.

Audit recommends to revise leases by adopting the appropriate legal process and recover the tawan related to the unauthorized occupation of state land.

[AMIS Para ID 2024-0000002768\_F00012]

#### ***1.4.9 Loss due to excess payment made to owners of land acquired for project -Rs. 196.45 million***

According to Section 12 of the Land Acquisition Act, 1894 states that “Award of Collector when to be final– (1) Such award shall be filed in the Collector’s office and shall, except as hereinafter provided, be final and conclusive evidence, as between the Collector and the persons interested, whether they have respectively appeared before the Collector or not, of the true area and value of the land, and the apportionment of the compensation among the persons interested.

(2) The Collector shall give immediate notice of his award to such of the persons interested as are not present personally or by their representatives when the award is made”

During the audit of SMBR for the year 2023-24, it was revealed that an inquiry was finalized by the SMBR for purchase of agriculture land by declaring the same as commercial, penalizing the junior tier (Naib Tehsildar and Patwari) with penalties for forfeiture of past service and withholding of 50% pension for five years. Whereas, no action was taken by the Board against other members of price assessment committee responsible for excess price assessment favoring the 6 owners of land acquired for project nor taken any action for recovery of Govt. loss.

Audit is of the view that weak internal and administrative controls resulted in loss to government due to excess payment made to owners of land acquired for project amounting to Rs. 196,445,803.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation did not offer any reply. Therefore, the committee kept the para pending the para for detailed probe and compliance.

Audit recommends that loss sustained by government be recovered from the responsible officials or beneficial owners in this respect.

[AMIS Para ID 2024-0000002768\_F00006]

#### ***1.4.10 Unjustified transfer of Shamlat-Deh to private person for commercial purposes -Rs. 185.27 million***

According to Section 175 (Prevention of encroachment upon common lands) of the Punjab Land Revenue Act 1967 “(1) Where land which has been reserved for the common purposes of the persons residing in the estate in which such land is situate has been encroached upon by any person, and the land has been shown in the last three periodical records made before such encroachment as so reserved, a Revenue Officer may, on

the application of a land-owner in the estate, and after giving an opportunity to the person alleged to have encroached upon it to appear before him and show cause against the proposed action—

- (a) eject from the land the person who has encroached thereupon; and
- (b) by order proclaimed in the manner provided in Section 26, forbid repetition of the encroachment.”

During scrutiny of revenue record of the Sub Registrar, Aziz Bhatti Town for the financial year 2023-24, it was observed that a Deed Number 4334 was passed having total area of 16 kanal and one marla being a commercial plot but out of 16 kanal, land measuring 4 kanal 17 marla belongs to *Shamlat-Deh*.

As per decision in Case: C.R.No.434-D/2018 in Lahore High Court (Rawalpindi bench), it was settled that the land of *Shamlat-Deh* (Common land of village) could only be utilized by the inhabitants of the Moza and purpose of such land could not be altered.

Audit is of the view that weak internal and administrative controls resulted in unjustified transfer of *Shamlat-Deh* valuing Rs. 185,270,000 for commercial purpose.

When pointed out during the month of October, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of December, 2024, the formation did not provide the documents in supports of its contention and audit emphasized that action is required to be taken as per policy of BOR prescribed in its full board meeting circulated vide No. 653-2021/3827 PA/Registrar dated 30<sup>th</sup> June 2021. The committee kept the para pending for compliance.

Audit recommends that matter be referred to administrative department for fixing the responsibility for unlawful change of status of Shamlat Deh besides remedial measures be taken for revision of sale deed and retrieval of land as per law.

[AMIS Para ID 2024-0000004878\_F00002]

***1.4.11 Loss of government revenue due to attachment of fake CPRs of advance tax -Rs. 157.81 million***

According to Section 236-K of the Income Tax Ordinance 2001, as amended through Finance Act, 2019 to 2023,(at different ratio) advance tax is chargeable @ 3% from Filer and 10.5% from non-filer from the purchaser of the property at the time of registering or attesting/executed transfer of immovable property,

Further, Section 236-C of the Income Tax Ordinance 2001, as amended through Finance Act, 2019 to 2023(at different ratio), advance tax is chargeable @ 3% from filer and 10.5% from non-filer from the purchaser of the property at the time of registering or attesting/executed transfer of immovable property.

Rule 2.33 of Provincial Financial Rules states that every Government servant will be held personally responsible for any loss sustained by the government through fraud or negligence on his part and on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During examination of record of two revenue offices, irregularities were detected in recovering the withholding taxes under Section 236C & 236K of the Income Tax Ordinance 2001. The issue involves the non-deposit of FBR taxes and attachment of 2071 fake or unverified Computerized Payment Receipts (CPRs) as evidence for tax payments.

Whereas, registering authorities had accepted the same without any due diligence during the process of attestation of documents.

This also indicates that the registering authorities have been complicit in allowing these falsified payments by accepting the same without any control available in the system of FBR.

*(Amount in Rupees)*

Sr. No.	Audit Title	AMIS Para ID	No. of cases	Amount Pointed Out	Verified	Balance
1	Sub Registrar, Ferozwala	2024-0000004885_F00004	772	57,043,867	-	57,043,867
2	Sub Registrar, Ferozwala	2024-0000004885_F00003	812	87,966,742	-	87,966,742
3	Sub Registrar, Chiniot	2024-0000004909_F00002	106	3,228,249	-	3,228,249
4	Sub Registrar, Chiniot	2024-0000004909_F00001	381	9,573,821	-	9,573,821
<b>Total</b>			<b>2071</b>	<b>157,812,679</b>	<b>-</b>	<b>157,812,679</b>

Audit is of the view that weak internal and administrative controls resulted in loss of government revenue amounting to Rs. 157,812,679.

When pointed out during the month October, 2024. No reply was offered by the concerned authorities.

DAC in its meeting held in the months of December, 2024 and January, 2025 kept the para pending for compliance.

Audit recommends that the amount pointed out be recovered from concerned besides fixing the responsibility and matter be referred to FBR to conduct complete audit of the formations to verify the veracity of all CPRs.

#### ***1.4.12 Evasion of taxes due to vulnerability of E-registration system -Rs. 114.081 million***

According to Section 236-K of the Income Tax Ordinance 2001, as amended through Finance Act, 2023, advance tax is chargeable @ 3% from

filer and 10.5% from non-filer from the purchaser of the property at the time of registration of transfer of immovable property.

Further, according to Section 236-C of the Income Tax Ordinance 2001, as amended through Finance Act, 2023, advance tax is chargeable @ 3% from filer and 6% from non-filer from the seller of the property at the time of registration of transfer of immovable property.

During examination of record of the Sub Registrar, Okara for the period 2017-24, it was observed that the Government has sustained loss on account of advance tax from seller and buyer in 514 cases due to vulnerability of automated electronic system used for registration deeds. As the sellers and buyers entered less valued CPRs in system instead of CPRs based on actual value of property but system allowed the attestation of deeds without generating any caution thereon.

Audit is of the view that weak internal and administrative controls resulted in evasion of taxes due to vulnerability of E-registration system amounting to Rs. 114,081,400.

When pointed out during the month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation did not appear in verification process. Therefore, the committee kept the para pending for compliance and shown displeasure for non-appearance in verification process.

Audit recommends to probe the matter for fixing responsibility for poor system design and implementation besides immediate steps be taken for recovery of tax pointed out by audit.

*[AMIS Para ID 2024-0000003428\_F00007]*

**1.4.13 Unjustified sale of Evacuee land and depositing amount in bank account -Rs. 60.13 million**

Notification No.TM-II/H-3-7/1/1232 dated 5th January 1972 issued by Accountant General Punjab states” consequent upon provincialization of settlement organization with effect from 1-1-1972 it has been decided that all recoveries of settlement dues will henceforth form part of provincial receipts. Accordingly, a new detailed head of account namely “personal Account of Chief Settlement Commissioner, Punjab “has been opened below the head cited in the subject with effect from 1-1-1972 to accommodate and exhibit distinctly the figures of said receipts.

During the audit of SMBR, it was revealed that an account head with the title “Deposit/and in favour of the chief settlement comm- G11226” is operative and Rs. 60,129,311 was deposited by different persons. Being sale of Evacuee land or payment of dues requires the sanction and approval of Chief Settlement Commissioner but no record in this respect was ever compiled by the wing to keep track of all approvals and amount being paid in treasury.

Audit is of the view that weak internal and administrative controls resulted in non-maintenance of record regarding approval for sale of evacuee land and depositing amount in account amounting to Rs. 60,129,311.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the stance of entity was not accepted as no evidence was provided against objection raised by audit. Therefore, the committee kept the para pending for compliance.

Audit recommends that complete reconciliation of deposits be conducted besides a mechanism be devised to keep track the approvals

issued for depositing the sale proceeds or due relating to Evacuee land and shown to audit as well.

[AMIS Para ID 2024-0000002768\_F00014]

***1.4.14 Loss to government due to attesting sales deeds of unapproved housing societies-Rs. 27.22 million***

According to Section 30 of the Colonization of Government Lands (Punjab) Act, 1912 read with Schedule-II provides instruction regarding statement of conditions to be incorporated in the sale / conveyance deed. Condonation/conversion /royalty fee is charge against the use of state land allotted for agriculture purpose subsequently converted into residential /commercial /industrial purpose, or land allotted for residential purpose converted into commercial /industrial purposes.

During scrutiny of record of Sub Registrar, Okara for the period 2017-24, it was observed that attesting authority passed registered deeds of immoveable property situated in unapproved societies and condonation fee of Rs. 27,222,152 in 3 cases was not recovered.

Furthermore, passing of registered deed related to illegal societies have great impact on general public as people invest their savings in housing societies by considering the same as legal because revenue department is passing deeds which eventually resulted into loss of general public.

Audit is of the view that weak internal and administrative controls resulted in loss to government due to attesting sales deeds of unapproved housing societies-Rs. 27,222,152.

When pointed out during the month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation did not appear in verification process. Therefore, the committee kept the para

pending for compliance and shown displeasure for non-appearance in verification process.

Audit recommends to take immediate steps for recovery of dues besides ban on sale of property in unapproved societies be strictly implemented.

[AMIS Para ID 2024-0000003428\_F00010]

**1.4.15 Short-realization of mutation fee on gift of rural land-  
Rs. 23.715 million**

According to S. No. 4 of Notification No.1587-2010/1597-LR (1) dated 30-06-2010 issued by Board of Revenue, entry based on Tamleek (gift in favour of persons other than legal heirs) and gift in favor of legal heirs above 25 acres of agricultural land in rural area, mutation fee shall be payable @ 3 % of the value of land according to valuation table notified by the District Collector in respect of the land.

During audit of three revenue offices, it was observed that mutation fee is applicable on gift of rural land in favor of persons other than legal heirs and gift of beyond 25 acres of agriculture rural land in favor of legal heirs at the rate 3 percent on the value, as determined by the application of schedule rates notified by Additional District Collector. But the revenue officers ignored the applicability of mutation fee in 8 cases and fee was not charged as prescribed in 8 cases for the period up to 2022-23. Furthermore, registering authority had not deposited mutation fee @ Rs.300 per deed into bank /treasury on 3630 registered deeds.

Audit is of the view that weak internal and administrative controls resulted in short realization of mutation fee amounting to Rs. 23,714,537.

(Amount in Rupees)

S #	ADLR	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	ARC, Minchinabad	2024-0000001517_F00005	5	6,058,395	-	6,058,395

S #	ADLR	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
2	ARC, Tandlewala	2024-0000001360_F00005	3	16,567,142	-	16,567,142
3	Sub-Registrar, Okara	2024-0000003428_F00012	3630	1,089,000	-	1,089,000
<b>Total</b>			<b>3638</b>	<b>23,714,537</b>	<b>-</b>	<b>23,714,537</b>

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meeting held in the months of December, 2024 and January, 2025 kept the para pending for compliance.

Audit recommends to inquire the matter besides effecting recovery of government revenue involved.

#### ***1.4.16 Less-realization of mutation fee due to under valuation of rural land – Rs. 20.766 million***

Board of Revenue's Notification No. 1587-2010/1597-LR-I dated 30.6.2010 prescribes 3% mutation fee chargeable at the rates of land notified by district collector on transfer of immovable property through oral mutation.

During examination of the record of four revenue offices, it was observed that attesting authority has charged less mutation fee while transferring immovable properties for 1220 cases. For the said properties, actual *Khasra* numbers of rural land were not entered in the system used for calculation of mutation fee. The details are given as under:

*(Amount in Rupees)*

Sr No .	Name of Formation	AMIS Para ID	No. of Cases	Amount Pointed Out	Verified	Balance
1	ARC, Muridke	2024-0000001352_F00001	123	2,637,639	-	2,637,639
2	ARC, Minchinabad	2024-0000001517_F00004	396	6,173,583	85,563	6,088,020
3	ARC, Tandlewala	2024-0000001360_F00004	366	6,929,987	1,000,939	5,929,048

Sr No .	Name of Formation	AMIS Para ID	No. of Cases	Amount Pointed Out	Verified	Balance
4	ARC, Minchinabad	2024-0000001517_F00009	167	1,878,100	-	1,878,100
5	ARC, Minchinabad	2024-0000001517_F00010	163	3,906,391	-	3,906,391
6	ARC, Gujrat	2024-0000004511_F00008	5	339,201	12,075	327,126
<b>Total</b>			<b>1220</b>	<b>21,864,901</b>	<b>1,098,577</b>	<b>20,766,324</b>

Audit is of the view that weak internal and administrative controls resulted in less-realization of mutation fee amounting to Rs. 21,864,901.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 20,766,324 after verification of Rs. 1,098,577 and directed the department to recover the remaining amount at the earliest.

Audit recommends that the recovery of government dues be made without further delay.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Years 2020-21, 2021-22, 2022-23 and 2023-24 vide para numbers 2.4.33, 1.4.8, 1.4.7 and 1.4.13 respectively having financial impact of Rs. 124.042 million. Recurrence of same irregularity is a matter of serious concern.

#### ***1.4.17 Non-realization of income tax under Section 7E -Rs. 16.253 million***

According to Finance Act 2022, Section 7E was introduced in Income Tax Ordinance, 2001 states that “every resident person has been treated to have derived income equal to 5% of the fair market value of the capital asset situated in Pakistan subject to exclusions of capital assets provided under sub-section (2), the said deemed income is chargeable to tax at 20% (effective rate 1% of fair market value of immovable property)”.

During the audit of the Sub Registrar, Okara for the period 2017-24, it was observed that registering authority passed registered deeds in 2023 but had not obtained the proof as required under 7E on prescribed Form A and certificate from Directorate General of Designated Non-Financial Businesses and Professions Board (DNFBP) causing loss to Government exchequer.

Audit is of the view that weak internal and administrative controls resulted in non-realization of income tax under Section 7-E amounting to Rs. 16,252,629.

When pointed out during the month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. During the scheduled verification process, respective formation had not appeared. Therefore, the committee kept the para pending for compliance and shown displeasure for not attending the verification process.

Audit recommends mandatory provision of income tax certificate under 7E, besides taking immediate steps for recovery of the amount pointed out by audit.

[AMIS Para ID 2024-0000003428\_F00014]

#### ***1.4.18 Non pursuance of Evacuee property case since 1962 in the court of law amounting Rs. 9.00 million***

According to Clause 13 (Resumption of the property on default) as indicating the Scheme for Transfer of house, shop and building site having construction states that “In case of failure of depositing transfer price within stipulated period, the concession to purchase the land shall be withdrawn automatically without giving any further notice and the land shall be retrieved from the illegal occupant immediately and shall be put into open auction”

During the audit of SMBR, it was revealed that a petition No. 29-R-1980 for non-deposit of auction money in respect of land for five-star hotel on Mall Road, Lahore was remanded back in 2012 by Lahore High Court to Chief Settlement Commissioner for decision regarding recovery of outstanding amount of Rs. 9,000,000. The management of hotel again filed a petition in court for such remanded case and decision was made by court in favor of management without hearing the Settlement Department.

After availing the remedies available in Lahore High Court, a review petition was filed which was also dismissed and appeal at Supreme Court of Pakistan was also returned on 19.09.2022. Being aggrieved, In-Chamber Appeal (127/2022) was filed in Supreme Court of Pakistan which was not fixed for hearing so far. Even having availability of a legal team, the department remained failed to pursue the case since 1980.

Audit is of the view that weak internal and administrative controls resulted in non-retrieval of Evacuee property failed to deposit the auction money since 1962- Rs. 9.00 million

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation replied that In-Chamber Appeal is still pending in Supreme Court of Pakistan. Therefore, the committee kept the para pending till decision of court and probing into matter for poor performance in defending the case.

Audit recommends that the department's failure to defend the case in the Court be thoroughly investigated and matter be pursued in the Supreme Court of Pakistan properly by applying for early hearing of the case besides recovery of Government dues along with penal interest be made as per law.

*[AMIS Para ID 2024-0000002768\_F00002]*

**1.4.19 Short-realization of taxes due to underestimation of property rates in valuation table – Rs. 6.927 million**

According to Schedule-I of the Stamp Act 1899, as amended through the Punjab Finance Act, 2017, stamp duty @ 5% on conveyance, exchange, and gift deed in an urban area and 3% in rural area in 2017-18 and now 1% in urban area and 2% in rural area and are required to be calculated according to Valuation Table notified by the District Collector, under Section 27-A of the Stamp Act, 1899.

During the examination of records of the Sub-Registrar, Okara, it was observed that the valuation table for the years 2017-2024, as notified by the District Collector, understated the value of Dolphin Mall (a commercial market) located between two main roads. Furthermore, the revenue staff created a new location category, assigning deliberately low land rates.

Furthermore, the revenue staff failed to prescribe residential or commercial rates for *mozajaat* comprising of developed housing societies and commercial markets.

Audit is of the view that weak internal and administrative controls resulted in short realization of taxes due to understated of property rates amounting Rs.6,927,693.

When pointed out during the month of September, 2024. The executive authority replied that the point raised by audit in valuation table has been noted and will be consulted with concerned authority.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation did not appear in verification process. Therefore, the committee kept the para pending for compliance and shown displeasure for non-appearance in verification process.

Audit recommends to probe the matter and take immediate steps for recovery of the amount pointed out by audit.

[AMIS Para ID 2024-0000003428\_F00008]

***1.4.20 Short realization of taxes due to incorporation of misleading facts in registered deeds-Rs. 6.39 million***

According to Schedule-I of the Stamp Act 1899, as amended through the Punjab Finance Act, 2017, stamp duty @ 5% on conveyance, exchange, and gift deed in an urban area and 3% in rural area in 2017-18 and now 1% in urban area and 3% in rural area and are required to be calculated according to Valuation Table notified by the District Collector, under Section 27-A of the Stamp Act,1899.

Sub-section (2) of Section 27-A of the Stamp Act 1899 states that “where an instrument mentioned in sub-section (1) relates to an immovable property consisting of land and structure including a multi-story building, such instrument shall state the value of the land and structure separately, and stamp duty on the structure shall be calculated as per the covered area or the area of the structure mentioned in the instrument whichever is higher, and in case there is no approved building plan, two percent duty of the value of land in addition to payable duty shall be charged.”

During examination of record of Sub Registrar-Okara for the period 2017-24, it was observed that buyers and deed writers (Waseeqa Navees) in connivance with revenue staff had managed registration of documents with misleading facts like constructed house declared as open plot, commercial property was declared as residential on Fard-e-Malkiat resulted into loss of government revenue.

Audit is of the view that weak internal and administrative controls resulted in short-realization of taxes due to misleading facts mentioned in registered deeds- Rs. 6,393,270.

When pointed out during the month of September, 2024. The executive authority replied that notice will be issued to concerned at fault.

The matter was further reported to the Administrative Department. In DAC meetings held in the month of January, 2025, the formation had not appeared during verification process and the committee shown displeasure for non-appearance in verification process.

Audit recommends to probe the matter and take immediate steps for recovery of the amount pointed out by audit.

[AMIS Para ID 2024-0000003428\_F00006]

#### ***1.4.21 Non-recovery of Agricultural Income Tax -Rs. 6.199 million***

Section 3 (Charge of Agricultural Income Tax) of the Punjab Agricultural Income Tax Act, 1997 states that “subject to the other provisions of this Act, there shall be levied, assessed and collected each year a tax in respect of agricultural income of a tax year of an owner at the rate specified in the First Schedule to this Act”.

Further, Section 3B (Tax on the basis of Income Tax Return) of the Act, 1997 ibid states that “Notwithstanding the provisions of Section 3, where any person has declared agricultural income for any assessment year in the return filed under the Income Tax Ordinance, 2001, the person shall pay the tax on such income at the rate specified in the Second Schedule.

During audit of the office of Assistant Commissioner, Ferozewala, it was noticed that despite having the record of owners of land, the department had failed to recover the tax on the basis of land area beyond the threshold of 12.5 acres of land. Further, income tax return data has also been provided by the FBR but Income Tax on the Agri-income declared by farmers in returns were also not recovered from the owners of agricultural land for the period up to 2022-23.

Audit is of the view that weak internal and administrative controls resulted in loss to government revenue amounting to Rs. 6,198,956 in 342 cases.

(Amount in Rupees)

Sr No.	Name of Formation	AMIS Para ID	No of Cases	Amount Pointed Out	Verified	Balance
1	AC, Ferozwala	2024-0000001355_F00001	27	4,073,956	-	4,073,956
2	AC, Ferozwala	2024-0000001355_F00002	315	2,125,000	-	2,125,000
<b>Total</b>			<b>342</b>	<b>6,198,956</b>	<b>-</b>	<b>6,198,956</b>

When pointed out during the month of May, 2024. No reply was offered by the concerned authorities.

DAC in its meeting held in the month of October, 2024 kept the para pending for compliance.

Audit recommends that the recovery of government dues be made without further delay.

#### ***1.4.22 Loss due to transfer of land as Waqafnama instead of sale deed -Rs. 3.459 million***

According to Board of Revenue Punjab, Notification No. 518-2013/455-ST(I) dated 16.03.2013 “Governor of the Punjab has exempted from the levy of stamp duty and registration fee on the transfer of land resulting for roads, streets, parks, open spaces, play grounds, graveyards and public utility sites in an approved housing scheme under any law for the time being in force in favor of concerned Development Authority or the Local Governments as the case may be”.

During examination of revenue record of the Sub-Registrar, Wahgha Town, Lahore for the financial year 2023-24, it was observed that transfer of land was made as *Waqafnama* instead of sale deed to avoid taxes. Furthermore, land had been transferred for roads (Shareh-Aam) by persons

without indicating the nature of roads whether situated in village or housing societies.

Audit is of the view that weak internal and administrative controls resulted in loss due to transfer of land as Waqafnama instead of sale deed for Rs. 4,005,075.

When pointed out during the month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 3,458,700 after verification of Rs. 546,375.

Audit recommends that the amount pointed out be recovered from concerned besides internal controls need to be strengthened in order to avoid such laps in future.

[AMIS Para ID 2024-0000004320\_F00007]

### ***Value for money***

#### ***1.4.23 Unlawful construction of shops and petrol pumps on state land without assessment of rent- Rs. 3,024 million***

The Government of the Punjab has prescribed the policy vide No. 1837-2019/653-CS(III) dated 02-09-2019 for disposal of state or Nazul land under the shops, markets and plaza on sale and lease basis. Furthermore, the Government of the Punjab has prescribed the policy vide No. 2103-2019/750-CL(I) dated 02-09-2019 for lease of state land for petrol pumps and CNG station sites.

During examination of record of SMBR, it was observed that 34,350 shops and 321 petrol pumps are constructed on state and nazul land without any approval of Board of Revenue.

Despite the issuance of policy, neither monthly rent/tawan was assessed nor recovered from the shops and petrol pumps by the district

administration. Furthermore, the policy circulated above is silent to condone the period of unauthorized retention of state property without any payment of rent or tawan.

(Amounting in Rs)

Sr. No.	Audit Title	AMIS Para ID	No. of cases	Amount Pointed Out	Verified	Balance
1	SMBR, Punjab	2024-0000002768_F00008	34350	2,061,000,000	-	2,061,000,000
2	SMBR, Punjab	2024-0000002768_F00009	321	963,000,000	-	963,000,000
<b>Total</b>				<b>3,024,000,000</b>	<b>-</b>	<b>3,024,000,000</b>

The act of slackness on the part of administration is causing estimated potential loss of Rs. 3,024,000,000 annually by considering minimum rent @ Rs. 5,000 per shop & @ 50,000 per petrol pump being commercial establishments situated in main bazars and road of each city.

Audit is of the view that weak internal and administrative controls resulted in unlawful construction of commercial buildings on state land on leases without policy and non-assessment of rent -Rs. 3,024,000,000.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, the formation replied that the district administration has frequently been approached to dispose-off the shops and pumps on state land. The department further stated that 58 pumps out of 98 pumps were auctioned and remaining pumps are under the control of different departments. The department also directed the district administration to assess and recover the penal rent or tawan as required under the Act. The committee kept the para pending for compliance.

Audit recommends that rent of such properties be assessed after adopting the legal process and tawan for unauthorized occupation be recovered.

***1.4.24 Unauthorized sale of Evacuee land measuring 138 kanal and retention of sale proceeds in bank -Rs. 5.358 million***

According to Article 118 of the Constitution of the Islamic Republic of Pakistan states that “all revenues received by the Provincial Government, all loans raised by that Government, and all moneys received by it in repayment of any loan, shall form part of a consolidated fund, to be known as the Provincial Consolidated Fund.

Notification No. 1407-98/3594-RL(A)I dated 02.12.1998 issued by the Board of Revenue, Punjab (Settlement & Rehabilitation) Wing states that “as far as land categorized as (A) for an area greater than 12.5 acre ,(B) and (C) are concerned, the land is to be disposed of through open auction under Chapter-III Para 3 of the Scheme, by a committee constituted thereunder. However, an un-authorized occupant is given the right of first purchase on payment of the price equal to the highest bid offered in open auction”.

During the audit SMBR for the year 2023-24, it was revealed that S&R wing made a sale of land in tehsil Talagang (now Lawa) District Chakwal in response to case No. 66/2017 titled as Ghulam Muhammad V/s State and the amount was kept in bank account instead of depositing the same in treasury. Whereas, the land measuring 17.25 acre (138 kanal) was sold without open competition.

Audit is of the view that weak internal and administrative controls resulted in unauthorized sale of Evacuee land measuring 138 kanal and retention of sale proceeds in bank for Rs. 5,358,911.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, the stance of entity was not accepted

as no evidence was provided against objection raised by audit. Therefore, the committee kept the para pending for compliance.

Audit recommends that sale of land without open auction be probed and retrieved besides sales proceeds in this respect be deposited into treasury.

[AMIS Para ID 2024-0000002768\_F00018]

#### ***1.4.25 Inaction against societies or authorities refusing audit by Inspector of Stamps***

Section 73 to the Stamp Act, 1899 empowers the government officers to inspect books, registers, papers, documents, proceedings etc. for the purpose to secure any duty or to prove or lead to the discovery of any fraud or omission in relation to any duty. Section 54 of the Transfer of Property Act 1882 and Section 17 (1) of the Registration Act, 1908 clearly requires that such transfer in the case of immovable property of the value of Rs.100 and above or in the case of a reversion or other intangible thing can be made only by a registered instrument.

During examination of record of Chief Inspector Stamps under the ambit of SMBR, it was revealed that the housing societies were transferring the ownership of property without depositing the taxes and duties since long. The BOR is not taking any action over unlawful sales of plots in shape of files instead of registering the transfer after payment of due taxes.

Whereas, Defence Housing Authority, Fazaia Housing, Motorway City Sialkot, Dream Vally Rawalpindi, New Maga City Rawalpindi, Airport Residencia Rawalpindi, New Metrocity Gujjar khan, Saffari Vally Rawalpindi, Capital Vally Rawalpindi and Sky Garden Murree had not provided access to Inspectorate of Stamps to conduct the inspection of transfer of files but no action was taken by the BOR.

Audit is of the view that weak internal and administrative controls resulted in administrative inaction against societies refusing audit of housing societies by Inspector of Stamps.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, the stance of entity was not accepted as no evidence was provided for action taken against societies refusing audit by Chief Inspector of Stamps. Therefore, the committee kept the para pending for compliance.

Audit recommends that immediate steps need to be taken for the audit of housing societies besides fixing the responsibility for administrative action in this regard.

[AMIS Para ID 2024-0000002768\_F00022]

#### ***1.4.26 Construction of commercial mall on state land and violation of terms and condition of lease***

According to Section 32 of the Colonization of Government Lands (Punjab) Act, 1912 “when the Collector is satisfied that any person has taken or is in possession of land in a colony to which he has no right or title, the Collector may, in addition to any other powers he may possess, forthwith re-enter upon the land and resume possession of it and take possession of all crops, trees and buildings thereon on behalf of Government without payment of any compensation whatsoever”.

During audit of the SMBR, it was revealed that the land measuring 231 kanal 19 marla (29 acres) was leased out to M/s Packages Limited and the company initiated a project for construction of commercial mall on land adjacent to manufacturing unit by allocating 9.518 acres of land as indicated in audited accounts of company which was functional since April 2017.

Whereas, total land in possession of M/s. Packages Limited as measured by GIS is 99 acres out of which the factory building is constructed on 58 acres since long meaning thereby the company has encroached area measuring 70 acres in excess of 29 acres leased out by Government. Total area of mall is 41 acres for which land was shown in Audited Accounts 2020 with per marla cost of Rs. 97,000 being very low as compared with rate of land on Walton Road Lahore.

There is no record available with BOR relating to transfer of remaining land to company nor any demarcation exercise was conducted to protect state land as project is surrounded by state land and government offices (Arazi Record Center and Dolfin Squad and Government Rabia Basri Degree College).

As the lease is purely granted to Packages Limited but office of a multinational company, Bhulley Shah Packages and DIC limited is also functional being a violation of terms and conditions of lease as the land leased by government could not be rented out.

Audit is of the view that weak internal and administrative controls resulted in construction of commercial mall on state land and violation of terms and condition of lease.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, department accepted the lapse and explained that matter pertained to Deputy Commissioner, Lahore and same has been communicated with direction to take action as mentioned in audit para against encroacher and recover rent and tawan accordingly. Hence, the committee kept the para pending the para for compliance and detailed probe.

Audit recommends that the matter be probed and land purchased by management after 2018 be substantiated with documentary evidences besides report of field staff be obtained about the total land under possession and state land available at the site besides remedial action be taken on violation of law accordingly.

[AMIS Para ID 2024-0000002768\_F00001]

#### ***1.4.27 Inaction on transfer of land under Protected Minorities Property Ordinance.***

Section 3 (Ban on sale or transfer of minority community's properties) of the Protection of Communal Properties of Minorities Ordinance, 2002 states that "No property of a minority community meant for its communal use shall be bought, sold or transferred by any person without N.O.C from the Federal Government"

During the audit of SMBR for the financial year 2023-24, it was revealed that Walcurt Brothers Company owned a property measuring 42-K 17M in Montgomery Sahiwal was transferred by Walcurt Pakistan Limited to ARP Church Sahiwal in year 1986.

Further, said land was transferred in 2005 to different private parties by way of "Sehat Indraj" in violation of law and policy which protect the land under ownership of minorities. An inquiry report in this respect was conducted but no action for retrieval of land and cancellation of registered deeds were available on record.

Audit is of the view that weak internal and administrative controls resulted in failure to protect the property protected under Minorities Property Ordinance.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, the stance of entity was not accepted

as no evidence was provided supporting the stance taken by the department. Therefore, the committee kept the para pending for compliance.

Audit recommends that a detailed investigations are required for transfer of land from Walcurt Brothers to Walcurt Pakistan Limited subsequently transferred to private persons besides the mutations incorporated in 2005 be canceled and disciplinary proceedings be initiated against persons at fault.

[AMIS Para ID 2024-0000002768\_F00023]

***1.4.28 Inaction to safeguard Evacuee land after decision of court and non-registration of cases against the persons submitted unverified PTD's.***

Notification No. 2127-2000/3321/PA/ Secy (S&R) dated 07-12-2000 issued by Board of Revenue, Punjab states that “It is a matter of common knowledge that various persons from all walks of life, either sitting behind the scene or in the open are out to grab valuable Evacuee property through fraud, forgery or manipulation. Two cases were recently detected in which allotment orders were fabricated and bogus verification was made. The Deputy Commissioner, Gujranwala has been directed to get the criminal cases registered against the culprits.”

2. All allotments made after repeal of Settlements Laws in year 1975 will have to be reviewed and Deputy Commissioners are requested to send all allotment orders received in their districts after 1990 to the Board of Revenue, Punjab for re-verification.

During the audit of S&R wing of SMBR, it was revealed that the court has decided so many cases in favour of the department for land worth rupees in billions but no implementation reports are available in S&R wing about the action taken by department to safeguard retrieval of the state land.

Some occupants of Evacuee properties had applied for verification of Provisional Transfer Deeds (PTD's) from Verification Committee of

Settlement Branch. But the same was got rejected owing to some discrepancies. After the lapse of so many years PTD's still remained unverified but neither any action was taken by the Settlement Branch to initiate criminal proceeding nor illegal occupants were got evicted.

Crime committed by the land grabber's had been established in court of law but no criminal proceedings in this regard was initiated, benefiting the litigants.

Audit is of the view that weak internal and administrative controls resulted in inaction to safe guard the Evacuee land after decision of court in favor of department and non-initiation of criminal proceeding.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in January, 2025, the stance of entity was not accepted as evidence or files for criminal proceedings as mentioned by audit along with 85 cases as reported to Punjab Assembly in reply of question raised by learned Member of Assembly were not provided. The committee kept the para pending for compliance and criminal proceedings be initiated against the land grabber.

Audit recommends that the matter be probed and criminal proceedings in this respect be initiated against land grabbers beside list of all properties be prepared and provided to audit against which court has decided the matter in favor of department.

[AMIS Para ID 2024-0000002768\_F00007 & 2024-0000002768\_F00024]

#### ***1.4.29 Non-initiation and finalization of disciplinary proceedings since long***

According to rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible

for any loss sustained by Government through fraud or negligence on his part.

During the audit of the SMBR for the year 2023-24, it was revealed that disciplinary proceedings or inquiries as listed below were initiated but the same were not finalized. As the inquiries include blatant violation of law causing loss to state but no mechanism is available with the Administrative Department to keep track of inquiries:

1. Case for alleged unlawful mutation Nos. 14385,14386, 14387, 14388 and 14389 in Kunjah Gujrat.
2. Registration of FIR for theft of file of W.P.No. 15634/Q/12 and issuance of entrustment letter under forged signature of Secretary S&R(Letter No. ACE-LR(E-269/13-L/DDI -2015/653 dated 14-12-2015
3. Inquiry against Abdul Hameed Durrani, Ex-District Officer (Rev), Dera Ghazi Khan.
4. Misplacement retention of files for fraudulent allotment of land and issuance of Naqal for mutation of properties.
5. Case for insertion of pages of Register QPR-II, S.No 99 and QPR-IV, S.No 2404 in favor of Mubarak Ali Khan S/o Fateh Ali Khan against Patwari Central Record Room.
6. FIA case in Writ petition No. 2820/2011.
7. Inquiry regarding the conveyance deeds of state land in Tehsil Sangla Hill, District Nankana Sahib.
8. Departmental inquiry against Muhammad Arshad Shahid and Hafeez Ahmed under letter No. 12435-2015/366/Admn(II) dated 09-03-2016 and Notice vide No. 146-2016/599-U&R-I dated 21-03-2016.

9. Case recommended for initiating the proceeding against officials of S&R wing under a case titled 1997 SCMR 1635 & 2018 YLR 829 LHR, revealed that the claimant of Jawar Pur and Jherra i.e. Siraj Din etc., for issuance of orders in favor of persons declared as fraudulent persons.
10. Probe was not initiated as directed by the Standing Committee of Cabinet and Legislative Business & Privatization Committee for Privatization (CCOP) in its meeting dated April, 2024 for assessment of state land way beyond its actual value by combining two distinctive and distanced properties with lower rates.

Audit is of the view that weak internal and administrative controls resulted in non-finalization of disciplinary proceedings since long.

When pointed out during the month of August, 2024. No reply was offered by the executive authority.

The matter was further reported to the Administrative Department. In DAC meeting held in the month of January, 2025, no reply was submitted by the department. Therefore, the committee kept the para pending for detailed probe and compliance.

Audit recommends that disciplinary proceedings be finalized against the persons at fault and state or Evacuee land in question be protected after observing the law besides delay or inaction in this respect be probed for fixing the responsibility.

*[AMIS Para ID 2024-0000002768\_F00004 & 2024-0000002768\_F00005]*

#### ***1.4.30 Non resumption of land sold under private treaty against the policy***

According to Section 30 of sub-section 2 of the Colonization of Government Lands (Punjab) Act, 1912 states that “ If, at any time, the Board of Revenue is satisfied that any person had acquired under this Act

tenancy rights in respect of any land by means of fraud or misrepresentation or was not eligible to have such rights for any reason whatsoever then notwithstanding the acquisition of proprietary rights by such person in such land or the terms and conditions of any agreement with or rules issued by the Provincial Government and without prejudice to any other liability or penalty to which such person may be liable under any law for the time being in force, the Board of Revenue may, after giving such person a reasonable opportunity of showing cause pass an order resuming the land in respect of which proprietary rights have been acquired or reduce the area of such land or pass such order as it may deem fit. Section 10 of Act ibid does not allow the sale of state land under private treaty to selected person.

During the audit of BOR, it was revealed that the department had not taken any action for resumption of state land measuring 6 kanal 10 marla sold under private treaty against the policy to Fertilizer Company.

Furthermore, the Supreme Court of Pakistan in Human Right Cell (HRC) No. 7581-P & 9059-P/2009, Civil Petitions No. 1700 & 1701 of 2011 held that no powers vested with Government of the Punjab and BOR for the sale of state land by private treaty. A list of 68 cases has been submitted in the court for sale of state land in contradiction of policy but no action was taken by Board for resumption of land.

Audit is of the view that weak internal and administrative controls resulted in non-finalization of land resumption proceeding in 68 cases of sale of land under private treaty.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in the month of January, 2025, no reply was submitted by the department. Therefore, the committee kept the para pending for

compliance and list of 68 properties for sale of land under private treaty be provided to audit besides taking the action as per law for retrieval of land.

Audit recommends that immediate action may be taken to finalize the proceeding in 68 cases for resumption of state land besides penal proceeding be initiated for sale of land without having the policy cover and land be retrieved accordingly.

[AMIS Para ID 2024-0000002768\_F00021]

#### ***1.4.31 Unlawful lease of 151.5 acres for commercial activities and hotels in reserved forest area***

According to Section 27 of the Forest Act, 1927, power to declare forest no longer reserved. (1) The Government shall not declare or notify a reserved forest or any part of the reserved forest as being no longer reserved forest.

(2) The Government shall not allow change in land use of a reserved forest, except for the purposes of right of way, building of roads and development of a forest park, but the Government shall not allow construction of concrete building or permanent structure in the reserved forest.

During the audit of the office SMBR for the year 2023-24, it was revealed that 151.5 acres of forest land in Rawalpindi Division was leased out in contravention of Act *ibid* for hotels and other business ventures. Whereas, the leases were offered without any open competition and without any policy in this respect.

Government has introduced a policy to lease out the land in 2019 but regularization of old leases without policy was not made by Government. Further, the policy circulated in 2019 is silent to condone the period of unauthorized retention of state property without any payment of rent or tawan.

Audit is of the view that weak internal and administrative controls resulted in unlawful lease of 151.5 acres of land in reserved forest area.

When pointed out during the month of August, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. In DAC meeting held in the month of January, 2025, department accepted the lapse and explained that matter is pertained to Deputy Commissioners concerned and same has been communicated with direction to take action as per recommendation of audit and recover rent or tawan accordingly. Therefore, the committee kept the para pending for compliance and detailed probe for use of forest land for commercial activities.

Audit recommends that land be withdrawn after adopting legal process and amount of tawan be assessed for unauthorized occupation.

*[AMIS Para ID 2024-0000002768\_F00003]*



## CHAPTER 2

### EXCISE, TAXATION & NARCOTICS CONTROL DEPARTMENT

#### 2.1 *Introduction*

This Department provides services for collection of various taxes & duties and suggests ways and means for additional resource mobilization in the province. Building up of taxpayer's confidence, creation of taxpaying culture and providing facilities to the general public in payment of taxes are the top most priorities. The ET&NC Department consists of 87 formations and primarily responsible for the collection of Property Tax, Motor Vehicles Tax, Professional Tax, Luxury House Tax, Cotton Fee and Excise Duty in the province of the Punjab.

The Department is also responsible for the collection of some Federal levies/taxes i.e. Income Tax (at the time of collecting motor vehicle tax) and capital value tax (at the time of registration of imported motor vehicles if not paid at the time of import).

#### *Audit profile of ET&NC Department*

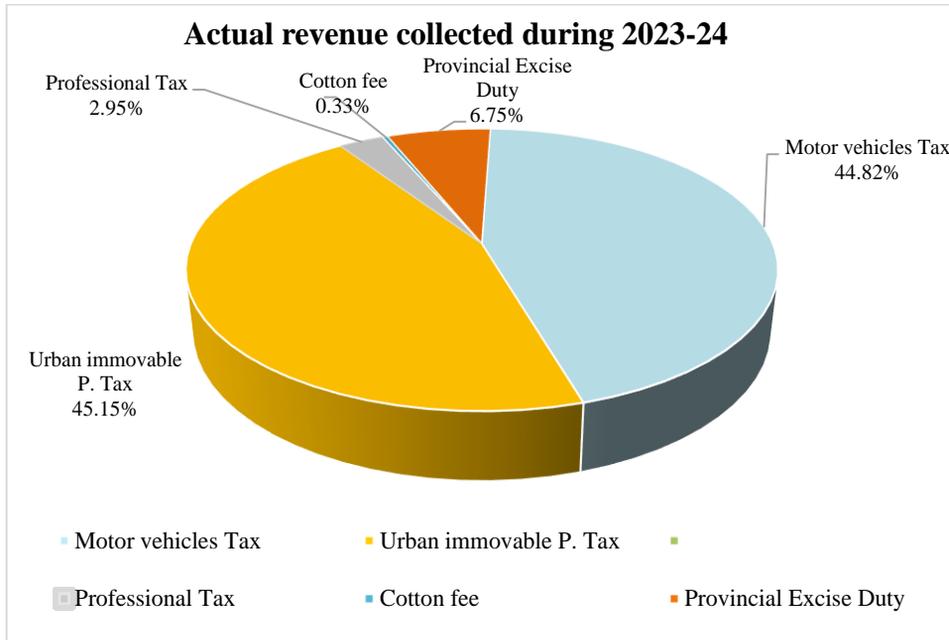
*(Rs. in million)*

Sr. No	Description	Total No	Audited	Revenue/Receipt audited FY 2023-24
1	Formations	87	18	16,375.89
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-
3	Authorities /Autonomous Bodies etc. under the PAO	-	-	-

## B) Comments on Budgeted Receipts (Variance Analysis):

During the financial year 2023-24, the ET&NC Department collected an amount of Rs. 43.60 billion against the revised estimates of Rs. 43.49 billion.

The distribution of receipts collected by the Department under different heads is shown in percentage in the following chart:



(Data Source: Civil Accounts 2023-24)

As per pie chart, major portion of receipts in ET&NC Department is collected from Urban Immovable Property Tax and Motor Vehicle Tax, Rs. 18.80 billion and Rs.19.34 billion respectively.

A comparison of budget estimates, revised estimates and actual receipts for the Year 2023-24 for major segments of receipts of ET&NC

Department is tabulated below. The variation between the revised estimates and actual receipts is depicted both in absolute and percentage terms:

### Variance Analysis for ET&NC Department 2023-24

(Rs. in million)

S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation excess/ (less) Col.6-5	Percentage of Variation
1	2	3	4	5	6	7	8
1	Motor Vehicles Tax	B02801 to B02803 & B02805	19,557.85	19,251.80	19,342.87	91.07	0.47%
2	Urban Immovable P. Tax	B01301 B01303 B01313	20,815.75	18,967.50	18,800.68	-166.82	-0.88%
3	Professional Tax	B01601 B01603	1,349.65	1,340.00	1,221.18	-118.82	-8.87%
4	Cotton Fee	B03055	250.00	212.90	184.70	-28.20	-13.25%
5	Provincial Excise Duty	B02601-03, B02611-13, B02621-23	3,526.75	3,720.80	4,057.45	336.65	9.05%
<b>Total</b>			<b>45,500.00</b>	<b>43,493.00</b>	<b>43,606.88</b>	<b>113.88</b>	<b>0.26%</b>

(Data Source: Annual Budget Statement 2023-24 Govt. of the Punjab & Civil Accounts 2023-24)

The above figures depict that the receipt targets of the department were reduced significantly during the financial year which shows deficiency in fiscal planning.

Comparison of receipts targets and actual receipts for the financial year 2022-23 and 2023-24 is given below in the table:

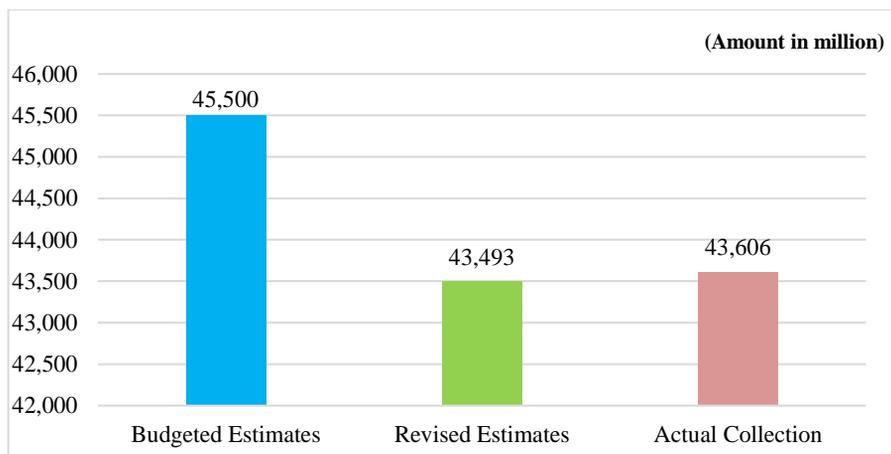
**Comparison of Budgeted Estimates, Revised Estimates and Actual receipts**  
(Rs. in million)

Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2022-23	43,500	40,600	38,754
2023-24	45,500	43,493	43,606

(Data Source: Annual Budget Statement 2023-24 Govt. of the Punjab & Civil Accounts 2023-24)

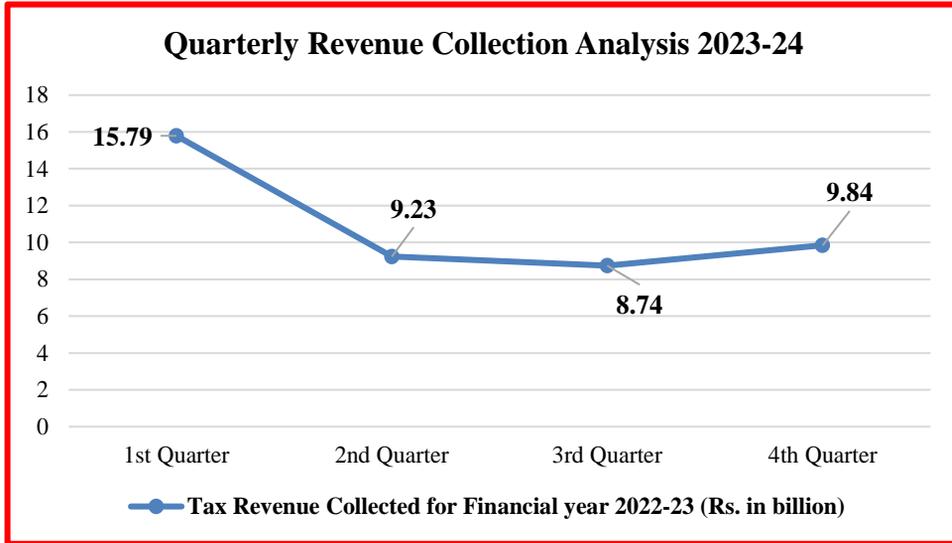
The comparison of budgeted revenue estimates, revised revenue estimates and actual collection of Department for the financial year 2023-24 are also given in the following graph:

**Comparison of Budgeted Estimates, Revised Estimates and Actual Collection**



(Data Source: Annual Budget Statement 2023-24 Govt. of the Punjab & Civil Accounts 2023-24)

The quarterly tax revenue collection during the financial year 2023-24 is as under:



(Data Source: Civil Accounts 2023-24)

The above line chart shows downward trend of revenue collected by the department.

## 2.2 *Classified Summary of Audit Observations*

Audit observations pertaining to recoveries of Rs. 8,643.32 million of provincial receipts were raised in this report during the current audit of ET&NC Department.

Whereas, recovery of Rs. 8,643.32 million as stated above includes Rs. 2,412.486 million against which department already has raised the demands but plan in respect of recovery is not available with the departments.

## *Overview of audit observations*

*(Rs. in million)*

Sr.No	Classification	Amount
1	Irregularities (Non/less realization of Government revenue)	8,643.32
2	Value for money and service delivery issues	0

### **2.3 *Brief comments on the status of compliance with PAC directives***

The status of compliance with PAC directives, for reports discussed so far, is given below:

Sr. No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1985-1986	27	11	16	41
2	1986-1987	17	10	7	59
3	1988-1989	12	7	5	58
4	1989-1990	10	6	4	60
5	1990-1991	13	4	9	31
6	1992-1993	13	1	12	8
7	1993-1994	14	3	11	21
8	1994-1995	11	3	8	27
9	1996-1997	20	13	7	65
10	1997-1998	11	0	11	0
11	1998-1999	25	4	21	16
12	1999-2000	20	1	19	5
13	2000-2001	18	0	18	0
14	2001-2002	24	12	12	50
15	2003-2004	15	1	14	7
16	2006-2007	11	8	3	73
17	2009-2010	20	14	6	70
18	2010-2011	18	10	8	56
19	2011-2012	16	12	4	75

<b>Sr. No</b>	<b>Audit Report Year</b>	<b>Total Paras</b>	<b>Compliance received</b>	<b>Compliance not received</b>	<b>Percentage of compliance</b>
20	2012-2013	23	16	7	70
21	2013-2014	16	10	6	62
<b>Total</b>		<b>354</b>	<b>146</b>	<b>208</b>	<b>41</b>

The compliance with the PAC directives in ET&NC Department for the years 1986-87, 1988-89, 1989-90, 1996-97, 2006-07, 2011-12, 2012-13 & 2013-14 is satisfactory with aggregate 65%. However, the compliance for the years 1992-93, 1997-98, 2000-01 and 2003-04 is comparatively low with aggregate 3% only.

## 2.4 AUDIT PARAS

### *Irregularities*

#### ***2.4.1 Short assessment of property tax by assessing rented properties as self - Rs. 4,459.919 million***

According to Government of the Punjab letter No. SO TAX(E&T)3-38/91/P-I dated 13<sup>th</sup> October, 2001, the assessable value of property units falling in a rating area will be ascertain in the light of instructions and consideration of specified rates of each category according to Valuation Table. As per these instructions, the specified rates of the localities as per land or covered area either under self or rented occupation as the case may be, are introduced for the purpose of assessment of GARV for calculation of tax.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that ten Excise & Taxation Offices had applied self-rates instead of rented rates of the valuation table for charging property tax.

The assessing authority has assessed the school properties as “self-use” without obtaining registration data from the School Education Department. The assessing authority had not even mentioned the name of schools in PT-1 to hide the identification resulting in the application of lower tax rates.

Audit is of the view that weak internal and administrative controls resulted in short assessment of tax amounting to Rs. 4,467,212,936 in 22906 cases (**Annex. 7**) by treating rented properties as self-occupied.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and

January, 2025 reduced the para to Rs. 4,459,919,935 after verification of Rs. 7,293,001 and directed the department to recover the remaining amount at the earliest.

Audit recommends that proper mechanism for assessment of tax be established and government taxes be recovered as per law besides matter be probed for fixation of responsibility for wrong assessment of properties.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 2.4.10 having financial impact of Rs. 341 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.2 Non-realization of arrears of property tax - Rs. 1,722.229 million***

Section 16 (2) of the Punjab Urban Immovable Property Tax Act, 1958 states that any sum on account of the tax levied or penalty imposed under this Act remaining un-recovered without sufficient cause to the satisfaction of the Collector shall be recoverable as arrears of land revenue. Further, as per Section 12 of the Act *ibid* a late payment surcharge @ 1% of the gross payable tax shall stand imposed on the 1<sup>st</sup> day of every month of delay if the tax payable for any year is not paid by 30<sup>th</sup> September of the said year.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that 14 Excise & Taxation Offices had not recovered the outstanding property tax from the defaulters in 21,695 cases.

Audit is of the view that ineffective recovery mechanism and weak management controls resulted in non-recovery of arrears of property tax amounting to Rs. 1,777,074,772 (**Annex. 8**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 1,722,229,028 after verification of Rs. 54,845,744 and directed the department to recover the remaining amount at the earliest.

Audit recommends to take effective steps to recover Government dues of property tax along with late payment surcharge at the earliest.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.3 and 2.4.1 respectively having financial impact of Rs. 7,864 million. Recurrence of same irregularity is a matter of serious concern.

***2.4.3 Less realization of property tax due to application of incorrect valuation categories -Rs. 243.076 million***

According to Government of the Punjab, Excise & Taxation Department Notification No. SO-TAX (E&T) 3-38/2014 dated 20.6.2014, the assessable value of property units falling in a rating area will be ascertained in the light of instructions and consideration of rates of each category specified in the valuation table.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that 13 Excise & Taxation Offices had realized less property tax by applying lower categories of valuation table in 11,186 property units.

Audit is of the view that weak internal and administrative controls resulted in less assessment of property tax amounting to Rs. 275,098,947 (**Annex. 9**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 243,076,108 after verification of

Rs. 32,022,839 and directed the department to recover the remaining amount at the earliest.

Audit recommends that necessary correction in valuation categories for correct assessment and recovery of government dues besides probe in this respect be initiated for fixing the responsibility for loss to government.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.9 and 2.4.7 respectively having financial impact of Rs. 589 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.4 Non-realization of tax on properties abutting to Highways/ Motorways -Rs. 234.687 million***

The Punjab Finance Act, 2019 has introduced tax on properties abutting to Highways or Motorways as “there shall be charged, levied, assessed and paid a tax at the rate of five percent of the Annual Taxable Value of all categories of properties other than agricultural land, outside limits of the rating area, abutting to national or provincial highway.”

During examination of record of six Excise & Taxation Offices for the period up to 2023-24, it was noticed that tax on properties abutting to highways/ motorways amounting to Rs. 250,898,634 in 1,736 cases had not been recovered. Assessing authorities had not made concrete efforts to invoke relevant provisions of law for recovery of the outstanding amount.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Gujranwala	2024-0000001527_F00016	86	11,319,701	-	11,319,701
2	ETO Faisalabad	2024-0000001526_F00023	69	4,992,384	-	4,992,384

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
3	ETO, Rawalpindi	2024-0000003290_F00016	371	20,547,064	3,407,915	17,139,149
4	ETO, Multan	2024-0000004900_F00011	90	2,241,860	283,061	1,958,799
5	ETO Sheikhpura	2024-0000004904_F00008	276	179,878,157	-	179,878,157
6	ETO, Okara	2024-0000005331_F00002	844	31,919,468	12,520,375	19,399,093
<b>Total</b>			<b>1736</b>	<b>250,898,634</b>	<b>16,211,351</b>	<b>234,687,283</b>

Audit is of the view that weak internal and administrative controls resulted in non-realization of tax on properties abutting to highways motorways.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 234,687,283 after verification of Rs.16,211,351 and directed the department to recover the remaining amount at the earliest.

Audit recommends to recover the outstanding amount besides fixing responsibility for this lapse.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 2.4.19 respectively having financial impact of Rs. 115 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.5 Short realization of property tax due to wrong assessment of hotels – Rs. 241.661 million***

According to Government of the Punjab's letter No. SO TAX(E&T)3-38/91/P-I dated 13<sup>th</sup> October, 2001, in the case of hotel consisting of rooms/boarding/lodging units used as residential

accommodation 40% of the gross annual (365 days) rent shall be taken as a GARV. The gross rent shall be worked out on average/normal charges received per room per day.

Section 5 of the Punjab Urban Immovable Property Tax Act, 1958 states that “the annual value of any land or building shall be ascertained by estimating the gross annual rent at which such land or building together with its appurtenances and any furniture that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year”

Sub-rule (e) of rule 6 of the Punjab Urban Immovable Property Tax Rule, 1958 states that “make an inquiry about the gross annual rent earned or which could reasonably be earned in respect of the property during the financial year immediately preceding the current financial year”

During audit of the ET&NC Department for the period up to 2023-24, it was noticed that eight Excise & Taxation Offices had not correctly assessed the property tax for hotels in 1,090 cases due to freezing the hotel room rent since long which required revision on yearly basis. Physical aspects of the rooms have not been taken into account while assessment of tax. Even 153 hotels were assessed with zero tax for lodging units.

Audit is of the view that weak internal and administrative controls resulted in short assessment of property amounting to Rs 243,414,071 (**Annex. 10**) up to the period 2023-24.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 241,661,056 after verification of Rs. 1,753,015 and directed the department to recover the remaining amount at the earliest.

Audit recommends to re-assess the property tax of hotels according to rent being charged for rooms after incorporating the physical aspects of hotel.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.5 having financial impact of Rs. 2,025 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.6 Short-realization of property tax due to under assessing the annual rental values -Rs. 228.524 million***

According to Government of the Punjab, Excise & Taxation Department Notification No. SO-TAX (E&T) 3-38/2014 dated 20.6.2014, the assessable value of property units falling in a rating area will be ascertained in the light of instructions and consideration of rates of each category specified in the valuation table.

Further, Section 5-A of the Punjab Urban Immovable Property Tax Act, 1958 states that “the annual value may be determined on the basis of such valuation tables and for such localities as may be notified by or under the authority of the government”.

During audit of record for ten Excise & Taxation Offices for the period up to 2023-24, it was observed that the above provisions of law were not followed in calculating the GARV (Gross Annual Rental Value) which resulted in short realization of property tax amounting to Rs. 229,924,318 in 814 cases (**Annex. 11**).

The notification *ibid* has prescribed the procedure for calculating the rental value of special properties like plaza, multi-story buildings, banks, hospitals, clubs, hotels, paid parking, commercial halls, marriage halls and commercial establishments on the basis of self or rented possession. The assessing authority has manipulated the assessment by assigning a different

type of property or possession status to keep the rental value low for undue tax reductions.

Audit is of the view that weak assessment and managerial controls resulted in short realization of property tax due to under valuation of property units.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 228,524,391 after verification of Rs. 1,399,927 and directed the department to recover the remaining amount at the earliest.

Audit recommends to recover the amount pointed out by Audit besides fixing responsibility for this lapse.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22 and 2022-23 vide para number 2.4.5 and 2.4.16 respectively having financial impact of Rs. 179.793 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.7 Short realization of property tax due to change in status of purpose-built properties-Rs. 172.698 million***

As per S. No. 16 of Annexure-A of the Notification issued vide No. SO.TAX(E&T) 3-38/2014 dated 30<sup>th</sup> June, 2014, the assessment of the value of property built and used as commercial properties (including offices and customized educational institutions buildings) shall be calculated on commercial rates of the localities self or rented as the case may be.

During audit of the ET&NC Department for the period up to 2023-24, it was noticed that eleven Excise & Taxation Offices had assessed the GARV of 699 educational institutions/offices less than that of actual rate on purpose-built properties and treating them as non-customized. Furthermore,

some offices in commercial establishment like industries, petrol pumps, marriage halls and plaza but assessed as non-customized.

Audit is of the view that weak internal and administrative controls resulted in short assessment of property tax due to treating the customized properties as non-customized amounting to Rs. 193,717,074 in 699 cases (**Annex. 12**) up to the year 2023-24.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 172,698,141 after verification of Rs. 21,018,933 and directed the department to recover the remaining amount at the earliest.

Audit recommends to issue directions for correction of assessments pointed out and recovery of tax be made besides proper IT controls be devised to strengthen the assessment and accountability mechanism to avoid the short assessments causing loss to government

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.11 and 2.4.2 respectively having financial impact of Rs. 7,528 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.8 Non-realization of luxury house tax-Rs. 142.196 million***

According to the Punjab Finance Act, 2014, the Government of the Punjab has levied luxury house tax w.e.f. 01.07.2014 from residential houses having area of two *kanals* or above with covered area more than six thousand square feet, at prescribed rate in first schedule.

During audit of the ET&NC Department for the period up to 2023-24, it was revealed that four Excise & Taxation Offices had not recovered

luxury house tax in 344 cases from owners of residential houses having area of two *kanals* or above with covered area more than six thousand square feet.

Audit is of the view that weak internal and administrative controls resulted in non-realization of luxury house tax - Rs. 173,949,992.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00005	116	71,205,000	340,000	70,865,000
2	ETO Gujranwala	2024-0000001527_F00008	14	7,660,679	200,000	7,460,679
3	ETO, Rawalpindi	2024-0000003290_F00007	41	22,153,063	3,362,866	18,790,197
4	ETO, Multan	2024-0000004900_F00007	173	72,931,250	27,851,250	45,080,000
<b>Total</b>			<b>344</b>	<b>173,949,992</b>	<b>31,754,116</b>	<b>142,195,876</b>

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 142,195,876 after verification of Rs. 31,754,116 and directed the department to recover the remaining amount at the earliest.

Audit recommends that effective steps are required to taken for timely recovery of luxury house tax besides probe in this respect be initiated for fixing the responsibility for loss to government.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.19 and 2.4.14 respectively having financial impact of Rs. 230 million. Recurrence of same irregularity is a matter of serious concern.

***2.4.9 Issuance of license for sale of liquor without fulfilling the formalities and non-payment of taxes/guarantee-Rs. 171.616 million***

According to the Rule 5.1 of the Punjab Liquor License Rules, 1932 the L-2 license shall be issued by the Excise Commissioner for wholesale and retail vend of liquor to public.

Furthermore, Clause 5.30 (b) of the Excise Manual Vol-II states that “Each licensee shall deposit in respect of his vend premises a cash security or furnish a banker's guarantee, in form MC 14. The cash security of banker's guarantee will be discharged after the expiry of the financial year provided there are no arrears of excise revenue outstanding against the licensee.

During examination of record of DG, Excise & Taxation, Lahore for the financial year 2023-24, it was observed that 12 hotels applied for license (L-2) to sell liquor and applications for two hotels were rejected by department besides applications of 10 hotels are still not decided by the department. But license to M/S Unicorn Prestige Limited was issued by department by ignoring the below mentioned objections raised for rejecting the applications of two hotels:

- i) Non-deposit of property tax of Rs. 156.285 million and banker guarantee of Rs. 15.332 million.
- ii) Non availability of License of 4 or 5 star hotel issued by Department of Tourist Services and NOC from Lahore Metropolitan Corporation.
- iii) Non-fulfilment of guidelines prescribed in Chapter 4 of Excise Manual Vol-II and recommendation of Excise Technical Committee dated 19-12-2018.
- iv) Public notice of 14 days was required but notification was issued after expiry of 8 days.

Audit is of the view that ineffective mechanism and weak internal controls resulted in issuance of license for sale of liquor without fulfilling the formalities and non-payment of taxes/guarantee amounting to Rs.171,616,527.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in the months of November and December, 2024.

Audit recommends the recovery of dues from defaulter besides remedial measures be taken for retrieval or regularization of license issued without observing law.

[AMIS Para ID 2024-0000003928\_F00015]

#### ***2.4.10 Non-realization of property tax from state owned autonomous organizations-Rs. 144.107 million***

According to Section 4(a) of the Punjab Urban Immovable Property Tax Act, 1958, buildings and lands owned by the Government or administered by a local authority are exempted from payment of Property Tax. However, autonomous bodies, corporations, development authorities are not exempted from the levy of property tax.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that nine Excise & Taxation Offices have neither demanded nor recovered property tax in case of properties of WAPDA and other state-owned autonomous organizations by considering the same as government properties.

Audit is of the view that weak internal and administrative controls resulted in non-realization of government revenue amounting to Rs. 144,106,900 in 170 cases (**Annex. 13**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 the department replied that the matter is sub judice. Therefore, the committee kept the para pending till decision of court.

Audit recommends that necessary efforts be made for recovery of government dues without further delay.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.4.18 respectively having financial impact of Rs. 127 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.11 Short-assessment of property tax of grid stations -Rs. 106.443 million***

According to Sr. No. 15 of the Notification No. SO(TAX(E&T)3-38/2014 dated 30<sup>th</sup> June 2014, grid stations land area & covered area including area having installation/equipment shall be assessed on self /rented commercial rates as the case may be.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that six Excise & Taxation offices in violation to above stated rule assessing grid stations on residential rates instead of commercial rates due to wrong feeding of formula in system.

Audit is of the view that weak internal and administrative controls resulted in short-assessment of property tax of Rs. 106,732,428 in 20 cases. (**Annex. 14**)

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 106,442,963 after verification of Rs. 289,465 and directed the department to recover the remaining amount at the earliest.

Audit recommends to take immediate steps for correction of assessment procedure for grid station in system besides recovery of tax.

#### ***2.4.12 Non-realization of property tax from Trusts without issuance of PT-17- Rs. 85.238 million***

According to Section 4(f) of the Property Tax Act, 1958, the property tax shall not be leviable on buildings and lands or portions thereof used exclusively for public worship or public charity. A certificate to that effect is required to be issued in Form PT-17 by the Director Excise & Taxation.

During examination of the record of the ET&NC Department, for the period 2023-24, it was noticed that eight Excise & Taxation offices had neither realized the property tax of Rs 103,813,133 payable nor PT-17 were issued to Trusts.

Audit is of the view that the inaction of management resulted into non-realization of government revenue amounting to Rs 103,813,133 in 162 cases (**Annex. 15**).

When pointed out during the months of August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 85,237,848 after verification of Rs. 18,575,285 and directed the department to recover the remaining amount at the earliest.

Audit recommends that the department needs to take effective steps for timely recovery of tax.

***2.4.13 Short-realization of property tax due to application of off-road rates to properties located in commercial clusters - Rs. 70.925 million***

According to Government of the Punjab's letter No. SO. TAX(E&T)3-38/2014 dated 26<sup>th</sup> June 2014, the assessable value of property units falling in a rating area will be ascertained in the light of instructions and consideration of rates of each category specified in the Valuation Table. It is further added that the roads with 30 or more width shall be considered "Main" and roads less than 30 feet shall be considered as "Off". However, this criteria shall not be applied in case of establishment/recognized commercial centers/clusters duly determined by the assessing authority and in such cases rate of "Main" shall be applied.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that 12 Excise & Taxation Offices applied incorrect location (i.e. off road applied instead of main road) while calculating property tax of 11231 commercial property units located in established commercial clusters.

The commercial clusters and markets are visible in rating areas but the assessing authorities deliberately overlooked the above provision of law. Whereas, the issue was highlighted in previous years as well but no remedial measures were taken by the assessing authorities and administrative department as well to rectify the laxity causing loss to government exchequer.

Audit is of the view that the inaction of management resulted in short realization of property tax amounting to Rs. 83,500,441 (**Annex. 16**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 70,924,633 after verification of Rs. 12,575,808 and directed the department to recover the remaining amount at the earliest.

Audit recommends that necessary efforts be made for recovery of government dues beside matter be probed for fixing the responsibility on persons at fault.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 & 2023-24 vide para number 2.4.8 having financial impact of Rs. 418 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.14 Loss due to non-integration of data with other tax collecting agencies-Rs 75.614 million***

According to Government of the Punjab, Excise & Taxation Department Notification No. SO TAX(E&T) 3-38/2014 dated 20.6.2014, the assessable value of property units falling in a rating area will be ascertain in the light of instructions and consideration of rates of each category specified in the Valuation Table.

Examination of record of DG Excise and Taxation, Lahore for the financial year up to 2023-24, revealed a loss of Rs.75,614,720 due to wrong feeding of usage and less covered area of 25 properties being compared with the data of the PRA, Industrial Directory prepared by Urban Units and private school data maintained by School Education Department.

Audit is of the view that ineffective recovery mechanism and weak internal controls resulted in short assessment of property tax due to non-integration of data with other tax collecting agencies of Rs. 75,614,720.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December 2024.

Audit recommends that data be integrated with all tax and regulatory bodies along with recovery of tax and correction in system.

[AMIS Para ID 2024-0000003928\_F00014]

#### ***2.4.15 Non-realization of property tax on vacant plots- Rs. 63.952 million***

Amendment has been made in Section 2 of the Punjab Urban Immovable Property Tax Act, 1958 through Section 3 of the Punjab Finance Act, 2016. According to which property tax shall be levied under this Act from 1<sup>st</sup> July 2016 onward. Further, Section 5-A of the Act ibid “the annual value of a vacant plot shall be in accordance with the valuation table notified for the respective locality of the rating area”.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that 11 Excise & Taxation Officers assessed 2,331 open plots without any tax calculations, (**Annex. 17**).

Audit is of the view that ineffective internal controls resulted in short realization of property tax of Rs. 65,379,160.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 63,951,748 after verification of Rs. 1,427,412 and directed the department to recover the remaining amount at the earliest.

Audit recommends that matter be pursued and recovery of government dues be recovered.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 2.4.6 having financial impact of Rs. 643.677 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.16 Non-realization of property tax due to allowing excess exemption to more than one five marla houses- Rs. 58.930 million***

Section 4 (I) of the Punjab Urban Immovable Property Tax Act, 1958 states that “with effect from 01.07.2004, property tax shall not be levied in case of one residential house, measuring an area up to five marlas, used for residential purpose irrespective of its annual rental value”.

During examination of record of ET&NC Department for the period 2023-24, it was noticed that nine Excise & Taxation Officers had given exemption to all five marla residential houses owned by the same owner against the law.

The assessment proforma (PT-1) contains a column for entry of father name and National Identity Card Numbers but the column was left blank intentionally to undermine the system. Due to non-entry in IT system for urban immovable property tax, the system remained dormant in tracing such unit nor the staff of the office taken any care in this regard.

Audit is of the view that ineffective internal controls resulted in non-realization of property tax of Rs. 59,673,878 in 898 cases (**Annex. 18**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 58,930,008 after verification of Rs. 743,870 and directed the department to recover the remaining amount at the earliest.

Audit recommends that recovery of government dues be made after strengthening the system to trace out such cases besides matter be probed to fix the responsibility for non-entry of data in PT-1 and direction be issued to assessing authorities for rectification of the same.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para number 2.4.24 and 2.4.28 respectively having financial impact of Rs. 18 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.17 Fictitious entries of payment receipts and misleading assessments property tax- Rs. 58.642 million***

According to Section 9-C (iii) of the Punjab Urban Immovable Property Tax Rules, 1958, any change in the assessment during the currency of survey is to take effect prospectively from 1<sup>st</sup> July or 1st January as the case may be (iii) any change in the ownership or use of any building or land:

During examination of record of DG, Excise & Taxation, Department for the financial year 2023-24, it was observed that inquiries are available against the officials at Rawalpindi and Gujranwala for updating fake receipts of property tax and constructed plaza was assessed without any covered area. Furthermore, spot verification conducted by Department revealed that 47 shops were considered as self instead of rented. The Excise Department failed to assess a single house/shop in established housing schemes i.e. Itihad Town, Lahore and City Housing, Faisalabad were assessed without indicating the constructed houses or shops.

Audit is of the view that ineffective recovery mechanism and weak internal controls resulted in fictitious entries of payment receipts and misleading assessments property tax-Rs. 58,642,214.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December 2024.

Audit recommends to recover the loss sustain to government besides spot verifications of properties be conducted in all across the Punjab and process of entries of paid tax challan be automated for strengthening of internal controls.

[AMIS Para ID 2024-0000003928\_F00010]

***2.4.18 In-admissible exemption allowed to regular commercial/residential properties by indicating mosques or grave yards- Rs. 45.376 million***

According to Section 5 of the Urban Immoveable Property Tax Act, 1958, the annual value of any land or building shall be ascertained by estimating the gross annual rent at which such land or building that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year. Further, according to Government of the Punjab letter No. SO TAX(E&T)3-38/2014 dated 30th June, 2014, Sr. No.14 actual rent in case of rented properties. Self-commercial rate of valuation tables shall be applied in case of company owned properties. In this case whole land area shall be considered as covered area.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that eight Excise & Taxation Officers had incorrectly exempted 762 regular commercial/ residential properties by indicating the same as Government properties or Mosque/Grave Yards leading to unlawful tax exemptions.

Audit is of the view that ineffective internal controls resulted in in-admissible exemption to commercial/residential property Rs. 48,912,409 in 762 cases (**Annex. 19**).

When pointed out during the months of August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 45,375,610 after verification of Rs. 3,536,799 and directed the department to recover the remaining amount at the earliest.

Audit recommends to take effective steps for timely recovery of tax besides correction of records to ensure accurate assessment of tax.

***2.4.19 Short realization of property tax due to wrong remission- Rs. 48.249 million***

According to Notification No. SO.Tax (E&T) 3-38/2014 (Vol-VI) dated 8-12-2021 “in exercise of powers under sub-section (3) of Section 3 of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958), Governor of the Punjab is pleased to remit property tax in respect of all property units where the property tax liability for the financial year 2021-22 exceeding 110% of the property tax payable for the financial year 2013-14. This remission shall not be allowed in case the tax liability is increased due to any change in the type or use of the property or the land or building has been assessed for the first time on or after 01-08-2014”

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that ten Excise & Taxation Officers had not taken any action to stop the remission of tax which the IT system had allowed against the law as the tax liability for tax was increased due to change in status of property building but remission of property tax was not withdrawn by the system.

As a new function of rebate (called remission) was introduced in system of tax with some limitations and system was amended to allow the remission but limitations as prescribed were not configured in system. The assessing authorities in process of amending the record of properties and

incorporating the changes in properties like construction of new properties or addition in existing properties had over looked the error of system.

Audit is of the view that lack of internal controls and inaction on part of the department resulted in short realization of property tax due to wrong remission amounting to Rs. 48,648,257 in 457 cases (**Annex. 20**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 48,249,892 after verification of Rs. 398,365 and directed the department to recover the remaining amount at the earliest.

Audit recommends that recovery of government dues be made besides IT system be rectified to correct the inadmissible remission.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22 and 2023-24 vide para number 2.4.15 and 2.4.13 having financial impact of Rs. 258 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.20 Loss of Government and security breaches for data of vehicles -Rs. 42.219 million***

Sub-clause 1.2 of Clause 1 (Scope of Services) of Service Level Agreement between ET&NC and PITB dated 1<sup>st</sup> April, 2021 states that PITB shall enhance system security by updating transport layer security or secure socket layer handshakes, and user security and multi-tenant security by closed loop one-time passwords or dynamic password and single sign-on and two factor authentication.

Clause 7.1 of above stated SLA states that “PITB shall be responsible for security, confidentiality, privacy and integrity of the data. The contents of the data cannot be tempered with or without explicit consent

according to layout protocol developed in meaning full consultation of clint and PITB, lest responsibility shall rest exclusively with PITB.

During examination of record of DG, Excise & Taxation, Lahore for the financial year 2023-24, it was revealed that registration data of vehicles was unauthorizedly manipulated during the shifting phase of data from old system to new Motor Vehicles Registration System (MVRS) by the staff of PITB with support of unknown persons as given below:

- i. Loss of Rs. 2,046,922 due to unauthorized updating the Token Tax in 35 cases.
- ii. Over writing of data field of 54 registered vehicles with new un-registered imported vehicles causing loss of Rs. 36,470,388.
- iii. Entered 42 vehicles in new system causing loss of Rs.3,702,159.
- iv. Illegal transfer of vehicles without bio matric verification of sellers in 1,007 vehicles.

Audit is of the view that weak administrative and internal controls resulted in loss of Government and security breaches for data of vehicles - Rs. 42,219,469.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December 2024.

Audit recommends to recover the amount and reversal of illegal entries in system besides fixing of responsibility of persons at fault and dump data of previous system be compared with new one for certifying the data worthiness.

*[AMIS Para ID 2024-0000003928\_F00003]*

#### ***2.4.21 Short assessment of property tax by considering the petrol pumps as self-properties -Rs. 39.588 million***

According to Government of the Punjab letter No. SO TAX(E&T)3-38/2014 dated 30<sup>th</sup> June, 2014, as per Sr. No. 8 Petrol Pumps/CNG Stations/Car Wash/Service Stations shall be applied commercial rates self or rented as the case may be.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that the nine Excise & Taxation Officers assessed petrol pumps with self-occupation instead of applying the rented rates of valuation table. Whereas, the oil marketing companies have executed lease deeds with the owners of land for payment of rent for the premises.

Audit is of the view that ineffective assessment mechanism and weak internal controls resulted in short assessment of property tax by considering the 262 petrol pumps as self-property for Rs. 39,735,718 (**Annex. 21**).

When pointed out during the months of August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 39,588,186 after verification of Rs. 147,532 and directed the department to recover the remaining amount at the earliest.

Audit recommends that the department needs to take effective steps for timely recovery of tax.

#### ***2.4.22 Non-realization of professional tax -Rs. 20.967 million***

According to Section 3 of the Punjab Finance Act, 1977 and 2<sup>nd</sup> Schedule of the Act as amended through the Punjab Finance Act, 2000, professional tax at the prescribed rate is recoverable from the persons or

class of persons engaged in any profession, trade, calling or employment in different categories.

During examination of the record of Professional Tax demand registers (P.F.T-3) maintained by the ET&NC Department, for the period 2023-24, it was noticed that three Excise & Taxation Officers did not recover Professional Tax amounting Rs. 29,141,500 in 3223 cases.

Audit is of the view that laxity and weak internal controls on the part of management resulted in non-recovery of professional tax.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Rawalpindi	2024-0000003290_F00009	502	13,245,000	7,856,500	5,388,500
2	ETO, Multan	2024-0000004900_F00009	2614	10,996,500	228,000	10,768,500
3	ETO Sheikhpura	2024-0000004904_F00011	107	4,900,000	90,000	4,810,000
<b>Total</b>			<b>3223</b>	<b>29,141,500</b>	<b>8,174,500</b>	<b>20,967,000</b>

When pointed out during the months of August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 20,967,000 after verification of Rs. 8,174,500 and directed the department to recover the remaining amount at the earliest.

Audit recommends that recovery of outstanding government dues be made besides responsibility be fixed in this respect.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.4.18 having financial impact of Rs. 9.718 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.23 Short realization of vend fee - Rs. 22.313 million***

According to Notification issued by the Excise and Taxation Punjab, Lahore vide No.2023-2024-VF/-EX (P)-III dated 13-07-2023, Vend Fee of wine bottles is required to be charged on Pakistan Made Foreign Liquor (PMFL) @ Rs.2500/- per Gallon and Beer Rs. 300 per liter”.

During examination of record of ETO Excise, Lahore for the period 2022-24, it was revealed that the vend fee on PMFL and Beer was less charged in violation of above stated notification.

Audit is of the view that ineffective internal controls resulted in short realization of vend fee amounting to Rs. 22,313,130 in five cases.

When pointed out during the month of November, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department.

DAC meeting held in January, 2025, the department stated that recovery is under process and stance taken during the meeting was not accepted by the committee as rates were increased by the amendments of rules with effect from 13-07-2024 and kept the para pending for recovery of tax.

Audit recommends to recovered the vend fee at the earliest besides strengthening the internal control to avoid such lapse in future.

[AMIS Para ID 2024-0000004894\_F00001]

#### ***2.4.24 Non-assessment of professional tax of business units engaged various professions -Rs. 26.732 million***

According to Section 3 of the Punjab Finance Act, 1977 and Second Schedule of the Act as amended through the Punjab Finance Act, 2000 “there shall be levied and collected from the person engaged in any professional trade or employment of different categories, professional tax at prescribed rates under 2<sup>nd</sup> schedule to the Act”.

During examination of record of five Excise & Taxation Offices revealed that professional tax against 3,643 units/persons engaged in different professions were not assessed by assessing authorities as the demand registers being maintained by the professional tax staff did not contain the record for assessment and recovery of tax from the persons for which data is gathered by audit from different government offices.

Audit is of the view that ineffective assessment mechanism and weak internal controls resulted in non-realization of professional tax amounting to Rs. 28,143,000 in 3643 cases which indicates ineffective assessment controls.

*(Amount in Rupees)*

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Gujranwala	2024-0000001527_F00011	1333	14,014,000	-	14,014,000
2	ETO Faisalabad	2024-0000001526_F00026	1234	6,430,000	402,000	6,028,000
3	ETO, Rawalpindi	2024-0000003290_F00010	214	2,282,000	551,000	1,731,000
4	ETO Sheikhpura	2024-0000004904_F00007	46	285,000	-	285,000
5	ETO, Okara	2024-0000005331_F00007	816	5,132,000	458,000	4,674,000
<b>Total</b>			<b>3643</b>	<b>28,143,000</b>	<b>1,411,000</b>	<b>26,732,000</b>

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of October, 2024 and January, 2025 reduced the para to Rs. 26,732,000 after verification of Rs. 1,411,000 and directed the department to recover the remaining amount at the earliest.

Audit recommends that assessment and collection of professional tax from the unassessed units be made besides responsibility be fixed in this regard.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2020-21 and 2021-22 vide para number 1.4.14 and 2.4.13 having financial impact of Rs. 42.807 million. Recurrence of same irregularity is a matter of serious concern.

***2.4.25 Short assessment of property tax on towers - Rs. 17.874 million***

According to Section 5 of the Urban Immoveable Property Tax Act, 1958, the annual value of any land or building shall be ascertained by estimating the gross annual rent at which such land or building that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year. Further, according to Government of the Punjab letter No. SO TAX(E&T)3-38/2014 dated 30<sup>th</sup> June, 2014, Sr. No.14 actual rent in case of rented properties. Self-commercial rate of valuation tables shall be applied in case of company owned properties. In this case whole land area shall be considered as covered area.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that eight Excise & Taxation Officers had entered less rent of towers being under use of Telecom Companies in the system of property tax for calculating the ARV (Annual Rental Value) of properties.

It was also observed that the rent agreements between owners of properties and Telecom Companies were also not available with Excise & Taxation offices and rent prevailing in the locality was also not entered in system for assessment of property tax.

Audit is of the view that ineffective internal controls resulted in short realization of property tax of Rs. 20,734,380 in 276 cases (**Annex. 22**).

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and

January, 2025 reduced the para to Rs. 17,873,630 after verification of Rs. 2,860,750 and directed the department to recover the remaining amount at the earliest.

Audit recommends that recovery of government dues be made after obtaining the rent agreements besides strengthening the internal control.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2020-21 and 2023-24 vide para number 1.4.9 and 2.4.26 respectively having financial impact of Rs. 40 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.26 Non-recovery of excise duty on wastage of Methylated Spirit in road accident and theft - Rs. 20.193 million***

According to rule 6.12 (3)(a) of the Punjab Excise Manual Vol-II states that the manager of the exporting distillery or brewery shall be required to execute a bond in form L-37, binding himself to pay double the amount of duty leviable under the Punjab Excise Act in respect of consignment of liquor to be dispatched and to produce a certificate of shipment at a port in Pakistan to the collector of the District in which distillery or brewery is situated.

During examination of record of DG, Excise & Taxation, Lahore for the financial year 2023-24, it was observed that 170,900 liters rectified spirit has not reached to its destination due to three road accidents. Furthermore, it was also observed that a FIR was registered at Vehari for illegally carrying of 450 liters of alcohol and 106,000 liters spirit in two containers from Sheikhpura to Karachi and drivers of containers has broken the seal for selling of liquor used for manufacturing toxin Alcohol.

Whereas, detailed probe in respect four incidents was not conducted by the department as nothing is available on the record despite having media reports.

Audit is of the view that weak administrative and internal controls resulted in non-recovery of excise duty on wastage of spirit in Road Accident and theft Rs. 20,193,239.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	DG, ET&NC	2024-0000003928_F00006	3	10,673,239	-	10,673,239
2	DG, ET&NC	2024-0000003928_F00008	1	9,520,000	-	9,520,000
<b>Total</b>			<b>4</b>	<b>20,193,239</b>	<b>-</b>	<b>20,193,239</b>

When pointed out during month of September, 2024, no reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends to recover double excise duty from defaulters besides probing the matter for fixing the responsibility thereof.

#### ***2.4.27 Non-realization of token tax from motor vehicle owners - Rs. 14.236 million***

Section 3 of the Motor Vehicles Taxation Act, 1958 states that tax shall be levied on every motor vehicle at the rate specified in the schedule to this Act. Under Section 34 and 35 of the Motor Vehicle Ordinance, 1965, a registering authority can also suspend/cancel the registration of a defaulting motor vehicle. Further, in case of default, penalty under Section 9 of the Act shall also be levied. Unpaid amount along with penalty is recoverable as arrears of land revenue under Section 11 of the Act *ibid*.

During examination of the record of the ET&NC Department for the period 2023-24, it was noticed that two Excise & Taxation Offices did not recover token tax amounting to Rs. 17,746,800 in 2168 cases.

Audit is of the view that lack of effective enforcement of relative provisions of the Act deprived the public exchequer of motor vehicle tax.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	MRA, Faisalabad	2024-0000004334_F00002	1909	15,836,820	3,510,515	12,326,305
2	ETO Sheikhpura	2024-0000004904_F00014	259	1,909,980	-	1,909,980
<b>Total</b>			<b>2168</b>	<b>17,746,800</b>	<b>3,510,515</b>	<b>14,236,285</b>

When pointed out during the months of August and November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of January, 2025 reduced the para to Rs. 14,236,285 after verification of Rs. 3,510,515 and directed the department to recover the remaining amount at the earliest.

Audit recommends that the matter be pursued and recovery of government dues be made from defaulting vehicles besides strengthening of internal controls.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.4.1 having financial impact of Rs. 1,359.61 million. Recurrence of same irregularity is a matter of serious concern.

#### ***2.4.28 Non-recovery of motor vehicles taxes highlighted in investigations against officials -Rs. 17.576 million***

Section 3 of the Motor Vehicles Taxation Act, 1958 states that tax shall be levied on every motor vehicle at the rate specified in the schedule

to this Act. Under Section 34 and 35 of the Motor Vehicle Ordinance, 1965, a registering authority can also suspend/cancel the registration of a defaulting motor vehicle. Further, in case of default, penalty under Section 9 of the Act shall also be levied. Unpaid amount along with penalty is recoverable as arrears of land revenue under Section 11 of the Act *ibid*.

According to 2.33 of PFR Vol-1, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

During audit of the office of the Director General, Excise & Taxation Lahore for the period 2022-23, it was observed that department has conducted inquiries against officials and charges against them were proved in inquiry hence major penalty “Removal from service and forfeiture of past service was imposed on junior tier responsible for processing transaction, but no efforts were made by MRA for recovery of tax or suspending the registration of vehicles to recover the tax amounting to Rs. 16,643,550.

Furthermore, according to Inquiry Order dated 06-12-2022 against officials and officers of MRA Multan remained failed to perform duties as per SOPs circulated vide Director General Excise and Taxation Punjab vide letter No. 1/2007/MTMIS Cell dated 18-10-2010 causing loss of Rs. 2,146,914 in respect of provincial/federal taxes specifying payments against such vehicles. Out of said vehicles, 303 have been recovered and Rs. 932,000 against 92 vehicles are yet to be recovered.

Audit is of the view that ineffective internal controls resulted in non-recovery of motor vehicle taxes amounting to Rs. 17,575,550.

When pointed out during month of May, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department.

In DAC meeting held in the month of October, 2024, the formation stated that inquiry has been conducted. The committee kept the para pending for recovery/implementation of decisions.

Audit recommends that recovery of taxes be made from culprits at the earliest.

(AMIS Para ID 2024-0000001281\_F00004)

**2.4.29 Non-realization of arrears of property tax relating to five marla houses -Rs. 16.814 million**

According to the amendment made in Section 4 (i) of the Punjab Urban Immovable Property Tax Act, 1958, through the Punjab Finance Act, 2005, the government of the Punjab, effecting from 1<sup>st</sup> July, 2004, granted exemption from payment of property tax to the owners of one residential house measuring an area up to five marla for residential purpose irrespective of its annual value.

During examination of record of ET&NC Department for the period up to 2023-24, it was noticed that six Excise & Taxation Officers had not enforced the law for recovery of arrears of property tax upto 2003-04 which are lying payable by the owners of five marla houses.

Audit is of the view that ineffective recovery mechanism and weak internal controls resulted in non-recovery of government revenue amounting to Rs.17,249,424 in 1854 cases.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Rawalpindi	2024-0000003290_F00012	943	11,177,179	301,978	10,875,201
2	ETO, Zone-II, Lahore	2024-0000003929_F00018	272	3,041,462	24,316	3,017,146
3	ETO, Multan	2024-0000004900_F00024	208	500,110	107,392	392,718
4	ETO Sheikhpura	2024-0000004904_F00018	287	1,383,347	-	1,383,347

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
5	ETO, Zone-III, Lahore	2024-0000005227_F00010	58	847,495	2,223	845,272
6	ETO, Zone-VI, Lahore	2024-0000005517_F00013	86	299,831	-	299,831
<b>Total</b>			<b>1854</b>	<b>17,249,424</b>	<b>435,909</b>	<b>16,813,515</b>

When pointed out during the months from August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 16,813,515 after verification of Rs. 435,909 and directed the department to recover the remaining amount at the earliest.

Audit recommends to take effective steps to recover government dues of property tax along with late payment surcharge at the earliest.

#### ***2.4.30 Non-realization of property tax treating the units as demolished ignoring tax on vacant land -Rs. 12.743 million***

As per amendment in Act of 1958 through the Punjab Finance Act, 2016 “One residential house or vacant plot, measuring an area not exceeding five marla, used or to be used for residential purpose except a residential house or vacant plot with annual value of more than five thousand rupees situated in a part of a rating area and categorized as category-A area”.

During examination of record of four Excise & Taxation offices for the period up to 2023-24, it was observed that property tax is not being levied on the properties declared as demolished or under construction in the system since long. No mechanism has been established in system to show history of these units whether these are completed/under process nor treated as open plots for recovery of tax. Resultantly, urban properties are kept exempted from tax.

Audit is of the view that ineffective recovery mechanism and weak internal controls resulted in loss of Government revenue amounting to Rs. 12,850,699 in 475 cases.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Rawalpindi	2024-0000003290_F00017	309	1,283,587	31,061	1,252,526
2	ETO, Zone-VII, Lahore	2024-0000003430_F00013	35	4,369,645	-	4,369,645
3	ETO Zone-X, Lahore	2024-0000003799_F00010	61	6,565,509	76,800	6,488,709
4	ETO Sheikhpura	2024-0000004904_F00020	70	631,958	-	631,958
<b>Total</b>			<b>475</b>	<b>12,850,699</b>	<b>107,861</b>	<b>12,742,838</b>

When pointed out during the months of August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months of December, 2024 and January, 2025 reduced the para to Rs. 12,742,838 after verification of Rs. 107,861 and directed the department to recover the remaining amount at the earliest.

Audit recommends that recovery of the amount pointed out by Audit be made besides fixing responsibility for this lapse.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.4.27 having financial impact of Rs. 20.283 million. Recurrence of same irregularity is a matter of serious concern.

#### **2.4.31 Non-realization of Income Tax on vehicles - Rs. 10.025 million**

According to Section 234-1A, 2 & 3 of the Income Tax Ordinance, 2001 and Finance Act, 2008, income tax is levied and collected

from the owners of commercial vehicles (having capacity of 800-cc and above) at the rates specified in Division III of the First Schedule.

During examination of the record of ET&NC Department, for the period 2023-24. It was noticed that two Excise & Taxation Offices had not recover income tax amounting to Rs. 12,660,154 from the owners of 1041 vehicles.

Audit is of the view that lack of internal controls and inaction on part of the department resulted in non-recovery of income tax.

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	MRA, Faisalabad	2024-0000004334_F00003	879	11,164,740	2,635,552	8,529,188
2	ETO Sheikhpura	2024-0000004904_F00015	162	1,495,414	-	1,495,414
<b>Total</b>			<b>1041</b>	<b>12,660,154</b>	<b>2,635,552</b>	<b>10,024,602</b>

When pointed out during the months from August to November, 2024. No reply was offered by the concerned authorities.

DAC in its meeting held in the months of January, 2025 reduced the para to Rs. 10,024,602 after verification of Rs. 2,635,552 and directed the department to recover the remaining amount at the earliest.

Audit recommends that the matter be pursued and recovery of government dues be made besides system be amended for automated blocking of defaulting vehicles.

#### ***2.4.32 Short realization of property tax due to incorrect assessment of banks -Rs 5.419 million***

According to Government of the Punjab Letter No. SO TAX(E&T)3-38/91/P-I dated 13<sup>th</sup> October, 2001, the assessable value of property units falling in a rating area will be ascertain in the light of instructions and consideration of specified rates of each category according

to valuation table. As per these instructions, the specified commercial rate of the localities either self or rented as the case may be, are introduced for the purpose of assessment of Gross Annual Rental Value (GARV) for calculation of tax.

During examination of the record of the ET&NC Department for the period 2023-24, it was noticed that five Excise & Taxation Officers assessed banks on the basis of self-rates while ownership of the properties were not on the name of banks. Hence, tax has been less assessed as the property units are rented to banks but tax has been calculated on self-basis.

Audit is of the view that ineffective recovery mechanism and weak internal controls resulted in short-assessment of property tax of Rs. 6,009,723 in 65 cases.

*(Amount in Rupees)*

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Gujranwala	2024-0000001527_F00013	31	1,650,782	-	1,650,782
2	ETO, Multan	2024-0000004900_F00016	18	2,445,278	577,389	1,867,889
3	ETO, Zone-III, Lahore	2024-0000005227_F00008	6	1,134,340	-	1,134,340
4	ETO, Okara	2024-0000005331_F00011	5	247,363	12,787	234,576
5	ETO, Zone-IV, Lahore	2024-0000005452_F00008	5	531,960	-	531,960
<b>Total</b>			<b>65</b>	<b>6,009,723</b>	<b>590,176</b>	<b>5,419,547</b>

When pointed out during the months from May to November, 2024. No reply was offered by the concerned authorities.

DAC in its meeting held in the months of October, 2024 and January, 2025 reduced the para to Rs. 5,419,547 after verification of Rs. 590,176 and directed the department to recover the remaining amount at the earliest.

Audit recommends that assessments pointed out be corrected besides recovery of taxes.

### **2.4.33 Loss of government revenue due to under assessment of value of vehicles-Rs. 2.5 million**

As per Finance Act 1973 amended upto-date states that the Registration fee under rule 42 shall be charged at the following rates:

<b>Category</b>	<b>Rate</b>
Others:	% values of the vehicles
Not exceeding 1000cc	1%
Exceeding 1000cc but not more than 1500cc	2%
Exceeding 1500cc but not more than 2000cc	3%
Exceeding 2000cc	4%

During examination of record of DG Excise and Taxation, Lahore for the financial year 2023-24, it was observed that the registering authority registered an imported vehicle (Luxus SUV) by under invoicing in system by indicating the value of vehicle for Rs. 200,000 only and no import documents were found available/scanned on new MVRS.

Audit is of the view that weak administrative and internal controls resulted in loss of government revenue due to under assessment of value of vehicles Rs.2,538,786.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December 2024.

Audit recommends to justify the registration of under assessed vehicle along with provision of the relevant file.

[AMIS Para ID 2024-0000003928\_F00017]

#### ***2.4.34 Non-initiation of disciplinary proceeding for un-authorized feeding and converting bike into cars***

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the government through fraud or negligence on his part or on the part of any other government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During examination of revenue record of the MRA, Faisalabad for financial year 2022-24, it was observed that the MRA-II has submitted a report vide letter No. 966/MT dated 12-03-2021 to Director, Excise & Taxation, Faisalabad regarding un-authorized feeding of data and recommending suspension of 84 vehicle but no proceeding was initiated on account of un-authorized feeding of data relating to the vehicle.

Another report consisting 48 vehicles which were fed in system in a period ranging from 2019 to 2021 for which no record is available in office. The report consisting entries for which motor cycles were converted illegally in Toyota Corolla, VITS, Hilux Surf and Truck but no action was taken against the officers and official of MRA for un-authorized feeding and converting category of vehicles besides the vehicle's registration marks were not cancelled supporting mafia to further sale of such vehicle to innocent peoples.

Whereas, a page for allotment register pertaining FDR-6707 was torn from the register but half page indicating registration of single seater vehicle (Motor Cycle) but online record against this number states that Toyota Corolla is registered with owner name Muhammad Baseer and token tax for the vehicle is paid up to June, 2025 without any record.

Audit is of the view that weak administrative and internal controls resulted in non-initiation of disciplinary proceeding for un-authorized feeding and converting bike into cars.

When pointed out during month of September, 2024. No reply was offered by the concerned authorities.

DAC meetings held in the month of January, 2025, the department stated that inquiry in this respect was conducted but the inquiry shown to audit did not contain the matter referred above. Further sample vehicles checked by audit also revealed that no action was taken for cancelling the registration marks of the vehicles. Therefore, the committee kept the para pending for compliance and action is also recommended against the beneficiaries.

Audit recommends that matter be probed for fixation of responsibility for un-authorized feeding of data and non-initiating disciplinary proceeding besides registration of vehicles be canceled immediately after initiating criminal proceedings against the beneficiaries.

*[AMIS Para ID 2024-0000004334\_F00008]*



## CHAPTER 3

### THE PUNJAB REVENUE AUTHORITY

#### 3.1 Introduction

According to the Sales Tax Act, 1951, sales tax on services was the Federal subject. The Federal government, however, asked provinces in year 2000 to introduce legislations to manage provincial sales tax on services. Further, 18<sup>th</sup> Constitutional amendment read with 7<sup>th</sup> NFC Award empowered the provinces to collect and administer sales tax on services.

Accordingly, the Punjab government established the Punjab Revenue Authority (PRA), as an autonomous organization under the administrative control of Finance Department, with automated tax payment and collection system on 1.07.2012. It also enacted the Punjab Sales Tax on Services Act, 2012 in supersession of the Punjab Sales Tax Ordinance, 2000.

#### *Audit profile of the Punjab Revenue Authority*

*(Rs. in million)*

Sr. No	Description	Total No	Audited	Receipts Audited FY 2022-24
1	Formations	1	1	426,846
2	Assignment Accounts SDAs	-	-	-
3	Authorities /Autonomous Bodies etc. Under the PAO	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-

### **B) Comments on Budgeted Receipts (Variance Analysis)**

During the financial year 2023-24, the Punjab Revenue Authority collected an amount of Rs.224.702 billion against the revised targets of Rs. 224.800 billion on account of major head Punjab Sales Tax on Services.

A comparison of original budgeted revenue estimates, revised estimates and actual receipts for the year 2023-24 is tabulated below. The variation between the revenue target and actual receipts is depicted both in absolute and percentage terms:

#### **Variance Analysis for Punjab Revenue Authority 2023-24**

(Rs. in million)

S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation	Percentage of Variation
						excess/ (less) Col.6-5	
1	2	3	4	5	6	7	8
1	Punjab Sales Tax on Services	B0-2385	235,000	224,800	224,702.41	(97.59)	-0.04%

(Data Source: 1. Annual Budget Statement 2023-24 2. Civil Accounts Govt. of the Punjab for 2023-24)

The above figures highlight that the actual receipts were 0.04% less than the revised revenue estimates for the financial 2023-24. The original revenue estimates were decreased by 4.35%.

The Punjab Revenue Authority achieved its revenue targets during the financial year 2023-24. Comparison of receipts targets and actual receipts for the financial year 2022-23 and 2023-24 is given below:

## Budgeted Estimates, Revised Estimates and Actual Receipts

(Rs. in billion)

Year	Budgeted Estimates	Revised Estimates	Actual Receipts as per Financial Statement
2022-23	184	193.3	197.55
2023-24	235	224.8	224.702

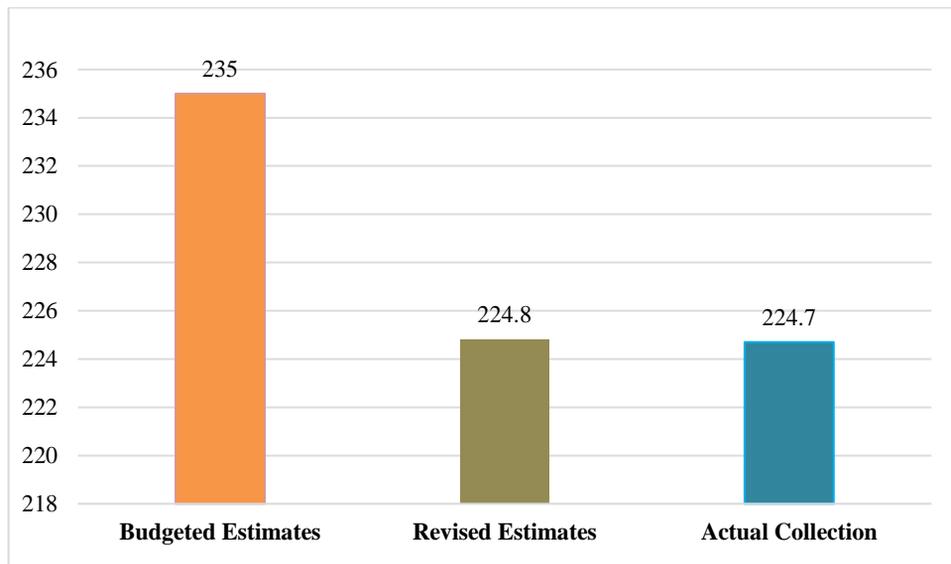
(Data Source: 1. Annual Budget Statement 2023-24 2. Civil Accounts Govt. of the Punjab for 2023-24)

The above figures show that actual receipts in 2023-24 were more than that of financial year 2022-23. The Punjab revenue authority has shortfall in realizing its revised revenue targets.

The comparison of budgeted revenue estimates, revised revenue estimates and actual collection of department for the financial year 2023-24 is given in the following graph:

### Comparison of Budgeted Estimates, Revised Estimates and Actual Collection

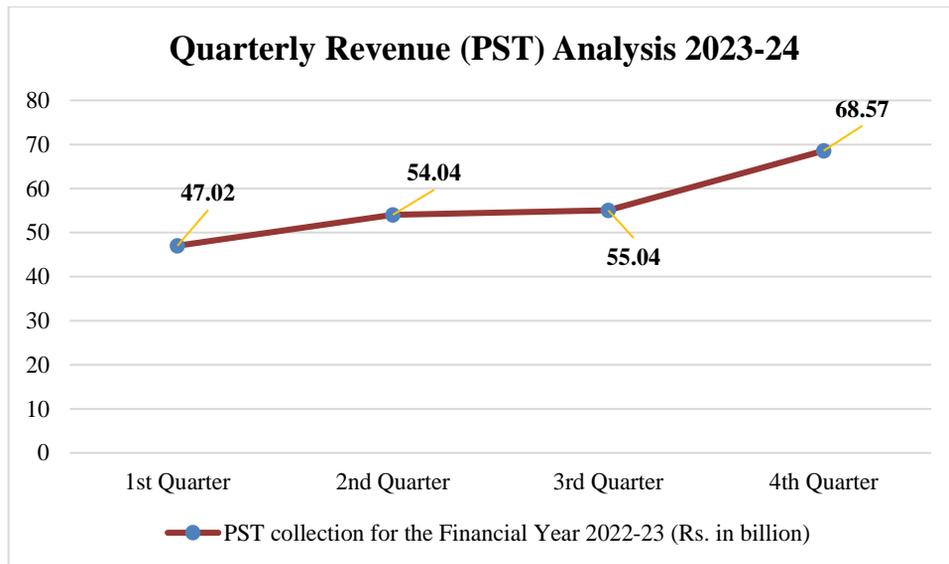
(Rs. in billion)



(Data Source: 1. Annual Budget Statement 2023-24 2. Civil Accounts Govt. of the Punjab for 2023-24)

The above graph shows that the actual receipts were less than the original estimates and revised estimates.

The quarterly tax revenue collection during the financial year 2023-24 is as under:



(Data Source: Civil Accounts Govt. of the Punjab for 2023-24)

The above line chart is showing the upward trend of revenue collected by the department.

### 3.2 *Classified Summary of Audit Observations*

Audit observations (recoveries) amounting to Rs. 243,335 million were raised in this report during the current audit of the Punjab Revenue Authority.

Whereas, recovery of Rs. 243,335 million as stated above includes Rs. 122,311 million against which department already has raised the

demands but plan in respect of recovery is not available with the departments.

***Overview of audit observations***

*(Rs. in million)*

Sr. No	Classification	Amount
1	Irregularities (Non/less-realization of Government revenue)	243,335

***3.3 Brief Comments on the Status of Compliance with PAC Directives***

No PAC meeting was held till the finalization of the report.

### 3.4 AUDIT PARAS

#### *Irregularities*

#### **3.4.1 Non-recovery of tax against cases finalized after appeals - Rs. 122,310.68 million**

According to Section 70 (Recovery of arrears of tax.) of the Punjab Sales Tax on Services Act 2012 “Subject to sub-section (2), where any amount of the tax is due from any person, the officer of the authority appointed under section may:

(a) deduct the amount from any money owing to the person from whom such amount is recoverable and which may be at the disposal or in the control of such officer or any officer of the authority;

(b) require by a notice in writing any person who holds or may subsequently hold any money for or on account of the person from whom tax is recoverable to pay to such officer the amount specified in the notice;”.

During audit of PRA for the period 2022-24, it was observed that the authority has failed to recover the tax from the tax payers against which the tax demands were endorsed by the Commissioner Appeals, Appellate Tribunal of the Punjab Revenue Authority and superior courts. Furthermore, no action was taken by PRA for difference of turnover as declared by the taxpayer in FBR and PRA.

*(Amount in Rupees)*

Sr No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000005515_F00018	138	40,162,701,083		40,162,701,083
2	2024-0000005515_F00019	35	21,276,405,374		21,276,405,374
3	2024-0000005515_F00020	11	16,348,185,550		16,348,185,550
4	2024-0000001557_F00009	57	2,920,354,416	-	2,920,354,416
5	2024-0000001557_F00015	289	12,251,163,511	-	12,251,163,511
6	2024-0000001557_F00016	57	22,923,208,980	-	22,923,208,980

Sr No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
7	2024-0000001557_F00017	74	6,428,663,429	-	6,428,663,429
<b>Total</b>		<b>661</b>	<b>122,310,682,343</b>	<b>-</b>	<b>122,310,682,343</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of the Punjab sales tax on services amounting to Rs. 122,310,682,343 in 661 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025. No progress towards recovery of tax had been shown by the department, para is kept pending for compliance.

Audit recommends that tax be recovered as per law after adopting the legal measures besides mechanism be placed to avoid such lapses in future.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 3.4.1 respectively having financial impact of Rs. 85,857.230 million. Recurrence of same irregularity is a matter of serious concern.

### ***3.4.2 In-action over non-charging of PST on services provided by DISCOs, NTDC and Pakistan Railways -Rs. 92,641.463 million***

Sub-section (29) of Section 2 of the Punjab Sales Tax on Services Act, 2012 states that “**person**” means– (a) an individual; (aa) an association of persons; (b) a company; (c) Federal Government; (d) a Provincial Government; (e) a local authority or local government.

The services provided by Distribution Companies (DISCOs) are liable to taxed vide Sr. No. 14 ,23,40 & 50 of the 2<sup>nd</sup> Schedule of the Act ibid. The services of NTDC (National Transmission and Dispatch

Company) are liable to be taxed vide Sr.No.47 and services provided by Pakistan Railways for carriage of goods are liable to be taxed vide Sr.No.48 of the 2<sup>nd</sup> Schedule of the Act, 2012 *ibid*.

During examination of record the PRA for the year 2022-24, it was observed that the authority had not taken any action for recovery of tax for services provided by the Distribution Companies for construction of HT/LT Lines (High Tension /Low Tension), Meter Rent charges and commission received on collection television license fee. Further, the National Transmission and Dispatch Company (NTDC) is also providing services for transportation of electricity through conduit, transmission lines but no tax in this respect was recovered. Furthermore, the authority has failed to take any action for charging PST on services provided by the Pakistan Railways for carriage of goods by rail. Detail is as under:

Sr No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000001557_F00004	04	14,838,414,000	-	14,838,414,000
2	2024-0000001557_F00005	01	49,811,000,000	-	49,811,000,000
3	2024-0000001557_F00006	01	11,388,253,696	-	11,388,253,696
4	2024-0000005515_F00011	1	11,818,000,000	-	11,818,000,000
5	2024-0000005515_F00012	1	4,065,685,235	-	4,065,685,235
6	2024-0000005515_F00014	2	97,033,238	-	97,033,238
7	2024-0000005515_F00025	12	444,409,415	-	444,409,415
8	2024-0000005515_F00026	2	178,668,391	-	178,668,391
<b>Total</b>		<b>24</b>	<b>92,641,463,975</b>	<b>-</b>	<b>92,641,463,975</b>

Audit is of the view that lack of internal controls, weak enforcement and non-pursuance by the management resulted in non-charging/non collection of PST of Rs. 92,641,463,975 in 24 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025, the department stated that action as per law had been initiated and the committee kept the para pending for compliance.

Audit recommends that the Punjab Revenue Authority needs to take immediate action for collection of tax from above stated organizations.

**3.4.3 Non-realization of default surcharge and penalty - Rs. 8,497.713 million**

Section 48 of the Punjab Sales Tax on Services Act, 2012 states that if a person, who is required to submit monthly return, fails to submit monthly return shall be liable to pay a penalty of ten thousand rupees. Further, Section 49 of the Act ibid states that if a registered person does not pay the tax due or any part thereof, whether willfully or otherwise, on time or in the manner specified under this Act, rules or notifications or procedures issued thereunder, he shall, in addition to the tax due and any penalty under Section 48 of Act ibid, pay default surcharge at the rate mentioned below:-

(a) the person liable to pay any amount of tax or charge shall pay default surcharge at the rate of inter-bank rate plus three percent per annum of the amount of the tax due.

During audit of the PRA for the period 2022-24, it was observed that the authority had failed to collect penalty from non-filers of monthly returns and persons who are required to be registered under the Act but failed to get themselves registered. The authority had not taken any action for recovery of default surcharge from persons who paid tax after expiry of due date. Detail is as under:

(Amount in Rupees)

Sr No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000001557_F00007	29,498	3,161,920,000	187,520,000	2,974,400,000
2	2024-0000001557_F00010	1,935	96,750,000	-	96,750,000
3	2024-0000001557_F00018	33	3,840,000	-	3,840,000

Sr No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
4	2024-0000001557_F00019	114	5,700,000	-	5,700,000
5	2024-0000001557_F00008	90,221	1,117,601,897	308,296,692	809,305,205
6	2024-0000005515_F00002	19034	424,948,245	-	424,948,245
7	2024-0000005515_F00013	36522	4,052,070,000	-	4,052,070,000
8	2024-0000005515_F00015	2153	107,650,000	-	107,650,000
9	2024-0000005515_F00021	114	5,700,000	-	5,700,000
10	2024-0000005515_F00022	347	17,350,000	-	17,350,000
	<b>Total</b>	<b>179,971</b>	<b>8,993,530,142</b>	<b>495,816,692</b>	<b>8,497,713,450</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of penalty and default surcharge amounting to Rs. 8,993,530,142 in 179,971 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025 reduced the para to Rs. 8,497,713,450 after verification of Rs. 495,816,692. The department further stated that action as per law has been initiated. The committee directed the department to recover the remaining amount at the earliest.

Audit recommends to initiate proceedings for recovery of penalties and default surcharge without further delay.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2020-21 vide para number 3.4.15 respectively having financial impact of Rs. 89.443 million. Recurrence of same irregularity is a matter of serious concern.

#### ***3.4.4 Loss of Government revenue due to claiming of inadmissible input adjustments - Rs. 7,401.891 million***

Section 16A of the Punjab Sales Tax on Services Act, 2012 states that payment of amounts of one or more transactions made to the same person in one tax period where the aggregate of such amounts exceeds fifty thousand rupees including the amount of sales tax but excluding any

payments made on account of utilities, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument.

The service recipient shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed above. Further, clause (j) and (h) of Section 16-B of the Act ibid defines Tax Credit not allowed.

During audit of PRA for the period 2022-24, it was observed that the Government sustained loss of Rs. 7,719,636,175 due to acceptance of claim for inadmissible input adjustment/credit relating to food items & beverages, input tax rates lesser than fifteen percent and where payments equal or more than Rs. 50,000 were made through non-banking channels. Detail is as under:

*(Amount in Rupees)*

<b>Sr No.</b>	<b>PDP #</b>	<b>No of Cases</b>	<b>Amount Pointed Out</b>	<b>Verified</b>	<b>Balance</b>
1	2024-0000001557_F00002	51,715	4,360,110,823	-	4,360,110,823
2	2024-0000001557_F00011	742	544,345,412	185,527,796	358,817,616
3	2024-0000001557_F00012	17,729	739,549,218	-	739,549,218
4	2024-0000001557_F00001	6,069	478,434,295	-	478,434,295
5	2024-0000001557_F00013	1,153	233,538,455	132,217,711	101,320,744
6	2024-0000005515_F00003	74	113,770,825	-	113,770,825
7	2024-0000005515_F00008	98	149,880,188	-	149,880,188
8	2024-0000005515_F00009	4,064	472,284,216	-	472,284,216
9	2024-0000005515_F00010	463	17,031,165	-	17,031,165
10	2024-0000005515_F00016	19,972	610,691,578	-	610,691,578
<b>Total</b>		<b>102,079</b>	<b>7,719,636,175</b>	<b>317,745,507</b>	<b>7,401,890,668</b>

Audit is of the view that lack of internal controls and non-pursuance by the management resulted in loss of Government revenue of Rs. 7,719,636,175 in 102,079 cases due to inadmissible input claim.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025, PRA briefed the committee that compulsion for use banking channel is redundant after introduction of STRIVE (Sales Tax Real-Time Invoice Verification System). But, audit stressed that unless the law is available, it shall be applicable and utilized. Sample show cause notices presented to audit does not suffice the purpose of this section of law is required to be translated to viable practices and procedures for filing of returns. However, the committee reduced the para to Rs. 7,401,890,668 after verification of Rs. 317,745,507 and directed the department to recover the remaining amount at the earliest.

Audit recommends to recover inadmissible input claim and penalize the taxpayers at fault besides strengthening the internal controls in this respect.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2020-21 vide para number 4.4.6 respectively having financial impact of Rs. 3,231.337 million. Recurrence of same irregularity is a matter of serious concern.

#### ***3.4.5 Less payment of actual tax liability after claiming input tax credit/adjustment in monthly tax return-Rs. 6,594.150 million***

According to Section 10 of the Punjab Sales Tax on Services Act 2012 “subject to the provisions of this Act and the rules, there shall be charged, levied, collected and paid the tax on the value of a taxable service at the rate or rates specified in the Second Schedule.

During scrutiny of the filing of return data for the year 2023-24, it was revealed that the tax payers had paid less tax than the actual amount of tax due for respective tax periods after claiming input tax credit/adjustment due to calculation errors of filing of returns system being maintained by Pakistan Revenue Automation Limited causing less payment of tax.

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in short-realization of Punjab sales tax on services amounting to Rs. 6,594,150,195 in 4744 cases.

When pointed out during the month of November, 2024. No reply was offered by the concerned authorities.

DAC meeting was held in the month of January, 2025. The department submitted that audit team has not considered factors like the exempt sales, credit carried forward, non-creditable inputs etc. while calculating the amount of inadmissible tax adjustments. The department produced only 3 tax returns out of 4744 cases and contention was not accepted as evidences and working in support of stance was not produced to audit. Hence, the committee kept the para pending for compliance.

Audit recommends to take immediate action to recover the less payment of tax from the concerned taxpayers besides mechanism be devised to ensure the accuracy of return filing system.

*(AMIS Para ID 2024-000005515\_F00007)*

### ***3.4.6 Non-realization of the Punjab Sale Tax from developers of housing societies - Rs. 5,222.457 million***

Sr. No 15 of 2<sup>nd</sup> Schedule to the Punjab Sales Tax on Services Act, 2012 states that services provided by property developers, builders and promoters (including their allied services) shall pay PST @ Rs.100 per square yard for land development and Rs. 50 per square feet for building construction. Similarly, Sr. No 61 of 2<sup>nd</sup> Schedule states that services

provided by warehouses or depots for storage or cold storages including letting of space for storages excluding storage of agriculture produce for the person's own consumption shall be taxed @ five percent without input tax adjustment.

During audit of PRA, it was observed that the authority had not made any effort for assessment and recovery of PST from developers of housing societies providing services taxable under the 2<sup>nd</sup> schedule of Act, 2012 *ibid*. The authority had not mobilized its enforcement wing for assessment and recovery of PST by issuing show cause notices to business for broadening of tax net. Detail is as under;

*(Amount in Rupees)*

Sr. No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000001557_F00021	34	5,087,527,885	-	5,087,527,885
2	2024-0000005515_F00004	9722	22,399,488	-	22,399,488
3	2024-0000005515_F00005	3	112,530,000	-	112,530,000
<b>Total</b>		<b>9759</b>	<b>5,222,457,373</b>	-	<b>5,222,457,373</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of PST of Rs. 5,222,457,373 in 9759 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025. No progress has been shown by the department, para is kept pending for compliance.

Audit recommends to take immediate action for recovery of Punjab sales tax as per law.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22 vide para number 3.4.4 respectively having

financial impact of Rs. 5,000 million. Recurrence of same irregularity is a matter of serious concern.

**3.4.7 Non-assessment of minimum or actual tax liability for taxable services - Rs. 397.071 million**

According to Section 3 of the Punjab Sales Tax on Services (Determination of Minimum Tax Liability) Regulations, 2019 read with Notification No. PRA/Order.06/2017.Vol(V)/1433 dated 1<sup>st</sup> October, 2019 Application-1) “if a registered person who fails to file a return, the minimum tax liability of the registered shall not be less than the highest amount of tax paid by the registered person in any of the previous twelfth months”.

Section 24 (Assessment of Tax) of the Punjab Sales Tax on Services Act, 2012 prescribes that “where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the authority is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of the tax actually payable by that person.

During audit of the accounts of PRA, it was observed that many taxpayers had not filed their monthly tax returns as per data of returns provided by the authority for the period 2022-24. But neither any action was taken against the taxpayers nor any tax liability imposed. It was also observed that taxpayers have been paying taxes at fixed rate/amount instead of paying taxes on actual sales or service value. Detail is as under;

*(Amount in Rupees)*

Sr. #	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000001557_F00003	951	590,326,565	539,307,594	51,018,971
2	2024-0000001557_F00022	3,054	175,265,606	-	175,265,606
3	2024-0000005515_F00001	110	170,785,984	-	170,785,984
<b>Total</b>		<b>4,115</b>	<b>936,378,155</b>	<b>539,307,594</b>	<b>397,070,561</b>

Audit is of the view that due to weak management and internal controls resulted in non-assessment of minimum or actual tax liability of PST on services amounting to Rs. 936,378,155 in 4,005 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meetings were held in the months of January, 2025 and February, 2025 reduced the para to Rs. 397,070,561 after verification of Rs. 539,307,594 and directed the department to recover the tax after detailed working at the earliest.

Audit recommends that legal obligation for assessment of tax be fulfilled and recovery be given effect under the law for each taxpayer.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 3.4.1 respectively having financial impact of Rs. 85,857.230 million. Recurrence of same irregularity is a matter of serious concern.

#### ***3.4.8 Non-realization of the Punjab Worker Welfare Fund - Rs. 212.705 million***

Section 4 (Mode of payment by, and recovery from establishments) of the Punjab Workers Welfare Fund Act, 2019 states that (1) Every establishment or a part thereof, the total income of which in any year of account commencing on or after the date of closing of accounts on 30<sup>th</sup> of June or 31<sup>st</sup> of December, as the case may be, is not less than rupees five hundred thousand, shall be liable to pay to the Fund in respect of that year a sum equal to two percent of its total income.(2) Every establishment liable under the Act shall pay the amount due from it by depositing in the Head of Account prescribed by the governing body within thirty days from the closing of accounts through the authority.

During audit of PRA for the period 2022-24, it was observed that audited accounts of the Power Information Technology Company (Private) Ltd states that the company had not paid its liability towards payment of PWWF (Punjab Worker Welfare Fund) but the authority had failed to collect PWWF even after admittance of company. Further, there is no mechanism for collection of PWWF from the industrial establishment registered in shape of private limited companies or firms, as 553 establishments have escaped the tax net but no action was taken by PRA. Details is as under:

(Amount in Rupees)

SrNo.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000001557_F00014	1	43,952,601		43,952,601
2	2024-0000005515_F00017	3	92,052,720		92,052,720
3	2024-0000005515_F00023	3	64,925,894		64,925,894
4	2024-0000005515_F00037	547	11,774,281		11,774,281
<b>Total</b>		<b>554</b>	<b>212,705,496</b>	<b>-</b>	<b>212,705,496</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of PWWF Rs. 212,705,496 in 554 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC in its meetings held in the months from January, 2025 and February, 2025. No progress has been shown by the department, para is kept pending for compliance.

Audit recommends that authority needs to take action to recover the amount related to PWWF at the earliest.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 3.4.15 being pointed out as matter

related to value for money. Recurrence of same irregularity is a matter of serious concern.

### ***3.4.9 Non-imposition of penalty and improper monitoring through e-IMS -Rs. 27.310 million***

Sr. No. 20 of the Section 48 (Offences and Penalties) of the Punjab Sales Tax on Services Act, 2012 states that where any person either avoids, defies, fails to comply with electronic invoicing system or issues invoices bypassing the electronic invoicing system. Such person shall be liable to pay a penalty of up to one hundred thousand rupees, but not less than twenty five thousand rupees.

Rule 3 of the Punjab Electronic Invoice Monitoring System Rules, 2019 states that a registered person having turnover of over ten million rupees or above in 2017-18 or in a subsequent year shall be monitored through e-IMS by the authority.

Audit of the accounts of PRA for the period 2022-24 revealed that the authority had not undergone any efforts for installation of e-IMS on the premises of 1029 service providers having more than 10 million sales volume and minimum penalty @ Rs. 25,000 had also not been imposed on service providers avoiding the installation of system.

It was further observed that a tax payer has issued only 29 sales invoices through *e-IMS* system installed by PRA. Tax returns analysis revealed that the restaurant has issued many invoices but declare 36 single lump sum sale invoices having no details of persons to whom services were provided in 2023-24. Issuance of sales invoices bypassing the e-IMS requires punitive action from PRA but authority had not taken any action against tax payer.

Whereas, other tax payers including multinational food chains are also not issuing invoices through e-IMS, as 21 to 40 invoices had been

issued by using the system but no action was ever taken by the authority to ensure the implementation of law.

(Amount in Rupees)

SrNo.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000005515_F00033	5614	885,762	-	885,762
2	2024-0000005515_F00034	7	700,000	-	700,000
3	2024-0000005515_F00036	1029	25,725,000	-	25,725,000
	<b>Total</b>	<b>6650</b>	<b>27,310,762</b>	<b>-</b>	<b>27,310,762</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of Punjab sales tax on services amounting to Rs. 27,310,762 in 6650 cases.

When pointed out during the months of May and November, 2024. No reply was offered by the concerned authorities.

DAC meeting was held in the month of February, 2025. The department accepted the contention raised by audit but reasons for failure were not disclosed during the meeting. therefore, para is kept pending for compliance.

Audit recommends that e-IMS system be monitored effectively to achieve system's objectives for enhancement of tax revenue beside recovery of penalties be made from offenders and inaction in this respect is required to be probed as well.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 3.4.15 being pointed out as matter related to value for money. Recurrence of same irregularity is a matter of serious concern.

### **3.4.10 Non-existence of recovery mechanism for Punjab Infrastructure Development Cess on import through ports of other provinces - Rs. 17.099 million**

According to sub-section 4 of Section 4 (Person liable to pay cess) of the Punjab Infrastructure Development Cess Act 2015 “Every person manufacturing, producing or consuming goods and every person importing goods into the Punjab through any port, dry-port, airport or custom station including bonded warehouse and every person exporting goods out of the Punjab shall be liable to pay the cess”.

During audit of PRA for the period 2022-24, it was observed that the authority had not ensured recovery of PIDC on import of vehicles, machinery and other items cleared from the other ports of Pakistan as Cess system was not configured with the system of Pakistan Customs (WeBOC) at ports situated in other provinces (like Karachi, Torkhum and Khunjrab etc).

*(Amount in Rupees)*

<b>Sr No.</b>	<b>PDP #</b>	<b>No of Cases</b>	<b>Amount Pointed Out</b>	<b>Verified</b>	<b>Balance</b>
1	2024-0000005515_F00029	61	6,862,622	-	6,862,622
2	2024-0000005515_F00030	4	10,237,328	-	10,237,328
<b>Total</b>		<b>65</b>	<b>17,099,950</b>	<b>-</b>	<b>17,099,950</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of PIDC Rs. 17,099,950 in 65 cases.

When pointed out during the month of November, 2024. No reply was offered by the concerned authorities.

DAC meeting was held in the month of February, 2025. PRA stated that the PIDC is not applicable on imports into Punjab cleared from the ports of other provinces. Stance of PRA is not accepted as law indicates that PIDC is applicable on imports into the province of the Punjab from any port as

importers are utilizing the infrastructure of the Punjab. The Sindh is recovering tax for utilization of infrastructure of his province under their law. Therefore, para is kept pending for compliance.

Audit recommends that authority needs to take action for recovery of the PIDC besides system be integrated with ports situated at other provinces to ensure the recovery of the Cess on all goods imported into the Punjab.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 3.4.15 being pointed out as matter related to value for money. Recurrence of same irregularity is a matter of serious concern.

**3.4.11 Non-charging of tax on IT and training services -Rs. 12.429 million**

According to serial No. 22 & 24 of the 2<sup>nd</sup> Schedule of the PST on Services Act, 2012, information technology and training services shall be liable to payment of PST on services.

Audit of PRA for the period 2023-24 revealed that M/s Computer Marketing Company (Pvt) Ltd has provided services for provision of software/ antivirus to Project Director Extension Services, Lahore against consideration of Rs 106,949,203 but the firm is not found registered in PRA. Account office data further revealed that different private individuals and institutions are providing specific training/coaching services without registration with PRA and no PST was charged by the service providers nor the authority had taken any measures to collect the tax by keeping liaison with account offices.

(Amount in Rupees)

Sr. No.	PDP #	No of Cases	Amount Pointed Out	Verified	Balance
1	2024-0000005515_F00027	437	3,910,467	-	3,910,467
2	2024-0000005515_F00028	1	5,092,819	-	5,092,819
3	2024-0000005515_F00032	226	3,425,851	-	3,425,851
<b>Total</b>		<b>664</b>	<b>12,429,137</b>	<b>-</b>	<b>12,429,137</b>

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in non-realization of Punjab sales tax on services amounting to Rs. 12,429,137 in 664.

When pointed out during the month of November, 2024. No reply was offered by the concerned authorities.

DAC meeting was held in the month of February, 2025. No progress has been shown by the department, para is kept pending for compliance.

Audit recommends that amount of PST be recovered at the earliest besides mechanism be devised to ensure the charging of tax on taxable services.

#### ***3.4.12 Inaction over marriage halls for filling nominal tax returns***

According to Sr. No. 6 of Section 48 (Offences and Penalties) of the Punjab Sales Tax on Services Act 2012 “Any person who knowingly or fraudulently–

- (a) submits a false or forged document to any officer of the authority;
- (b) destroys, alters, mutilates or falsifies the records; or
- (c) makes a false statement, false declaration, false representation, false personification, or gives any false information; or
- (d) fails to pay, recover, or deposit the actual amount of tax, or claims inadmissible tax credit or adjustment or deduction or refund.

Such person shall be liable to pay a penalty of fifty thousand rupees or one hundred percent of the tax payable for the tax period to which the offence relates, whichever is higher. Such person shall further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the tax period to which the offence relates, or with both.

During audit of PRA for the period 2023-24, it was observed that marriage halls were filling nominal tax returns by declaring fixed sales value on monthly returns for last 2 years.

Whereas, Pakistan Revenue Automation Limited (PRAL) and IT wing of PRA being technical wings are liable to maintain such input controls in returns being managed electronically but both wings have failed to point out the irregularity in system.

Audit is of the view that non-existence of internal controls and inaction on the part of management resulted in inaction over marriage halls filling nominal tax returns in 604 cases.

When pointed out during the month of November, 2024. No reply was offered by the concerned authorities.

DAC meeting was held in the month of January, 2025, the department accepted the para but no compliance was shown to audit. Therefore, para is kept pending for compliance.

Audit recommends to take immediate action for determining actual tax liability as per mechanism available in law besides penalty be imposed on false declaration and representation of turnover.

*(AMIS Para ID 2024-0000005515\_F00006)*



## CHAPTER 4

### TRANSPORT & MASSTRANSIT DEPARTMENT

#### ***4.1 Introduction***

Transport & Masstransit Department was established in the year 1987. Previously, it existed as Transport Cell in the Services, General Administration and Information Department under the supervision of the Additional Chief Secretary, Government of the Punjab.

The Punjab Provincial Transport Authority is a statutory body constituted under Section 46 of the Motor Vehicles Ordinance, 1965 and an important satellite organization of the transport department to regulate the public transport in the province.

The Punjab Provincial Transport Authority exercises and discharges various functions under the Motor Vehicles Ordinance, 1965 throughout the province. Whereas, the District Regional Transport Authorities established at each district of the province to exercise power and functions conferred by the Motor Vehicles Ordinance, 1965, within their respective territorial jurisdictions.

#### ***Core Operational Activities***

- Route permit fee,
- License fee for bus/wagon stands,
- License fee for carrying the business of goods forwarding,
- Fitness fee from different categories of public transport and
- License of bus body building workshop

The main source of income of the department is from issuance and renewal of route permits & motor vehicles fitness certificates. The revenue

from these two sources is collected under the heads of account “B-02812” and “B-02811” respectively.

Route permit fee is levied under Motor Vehicle Ordinance, 1965 and rules made there under. Route permits to the owners of commercial vehicles are issued under the said law for a specific period. On expiry, these are renewed on payment of prescribed fee. In case of renewal of route permit, the owner shall make application one month before the expiry of the permit on the application forms and paid the dues as prescribed. In case of application submitted after the stipulated period, late fee on prescribed rates per month or part thereof is charged.

***Audit profile of Transport & Masstransit Department***

*(Rs. in million)*

Sr. No	Description	Total No	Audited	Revenue/Receipt audited FY 2023-24
1	Formations	75	5	181
2	<ul style="list-style-type: none"> <li>• Assignment Accounts</li> <li>• SDAs</li> </ul>	-	-	-
3	Authorities /Autonomous Bodies etc. Under the PAO	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-

***(B) Comments on Budgeted Receipts (Variance Analysis)***

During the financial year 2023-24, the Transport & Masstransit Department of the Government of the Punjab collected an amount of Rs. 963.21 million against the revised estimates of Rs. 984.80 million.

A comparison of budgeted estimates, revised estimates and actual receipts for the year 2023-24 is tabulated below. The variation between the revised estimates and actual receipts is depicted both in absolute and percentage terms:

## Variance Analysis for Transport & Masstransit Department 2023-24

(Rs. in million)

S #	Category	Head of Account	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement	Variation	Percentage of Variation
						excess/ (less) Col.6-5	
1	2	3	4	5	6	7	8
1	Fitness Fee	B02811	49.95	15.55	8.67	-6.88	-44.24%
2	Route Permit Fee	B02812	1,160.00	969.25	954.54	-14.71	-1.52%
<b>Total</b>			<b>1,209.95</b>	<b>984.80</b>	<b>963.21</b>	-21.59	-2.19%

(Data Source: Annual Budget Statement 2023-24, Civil Accounts 2023-24, Govt. of the Punjab)

The above figures highlight that the actual receipts against Fitness Fee & Route Permit Fee of the Transport & Masstransit Department were 2.19% less than the revised estimates of the receipts. The variation between the original budgeted receipts (Rs. 1,209.9 million) and actual receipts (Rs. 963.21 million) collected was Rs. 246.69 million. The budgeted receipt targets during the year were revised from 1,209.9 million to 984.8 million.

Comparison of receipts targets and actual receipts for the financial year 2022-23 and 2023-24 is given below in the table:

## Budgeted Estimates, Revised Estimates and Actual Receipts

(Rs. in million)

Year	Budgeted Estimates	Revised Estimates	Actual receipts as per Financial Statement
2022-23	1005	1350	1281.61
2023-24	1,209.95	984.80	963.21

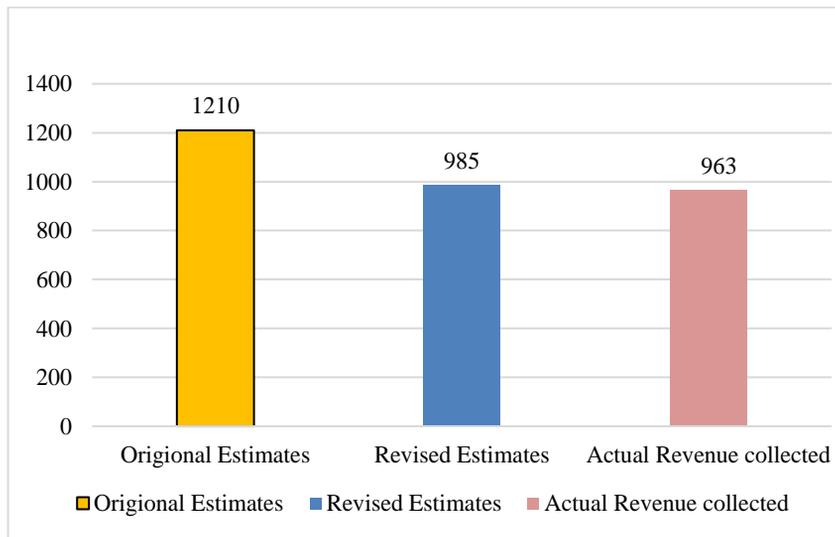
(Data Source: Annual Budget Statement 2023-24, Civil Accounts 2023-24, Govt. of the Punjab)

The above figures show that actual receipts in 2023-24 were less than the previous year i.e 2022-23. However, the revised estimates in 2022-23 were 34.32 percent more than original estimates whereas in 2023-24 revised estimates were 18.60 percent less than the original estimates.

The comparison of budgeted revenue estimate, revise revenue estimate and actual collection of department for the financial year 2023-24 also shown in the following graph:

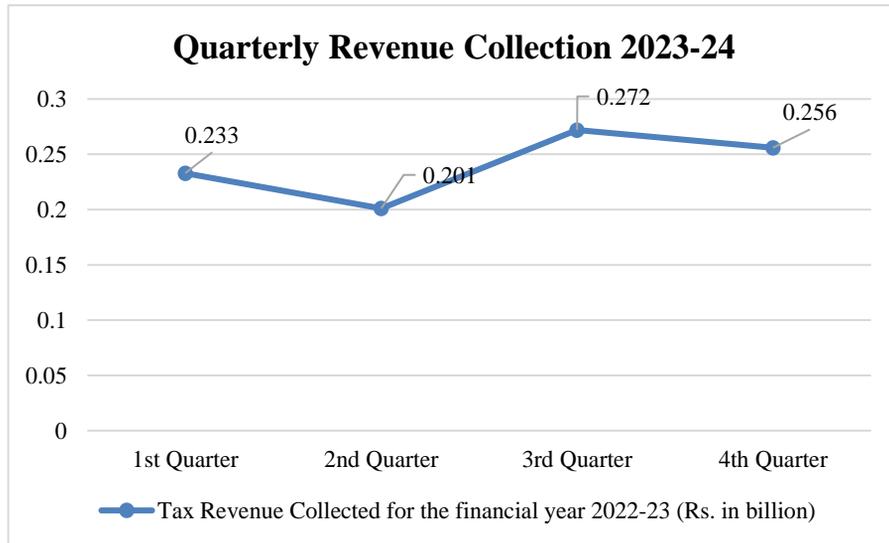
## Budgeted Estimates, Revise Estimates and Actual Collection

Rs. in million



(Data Source: Annual Budget Statement 2023-24, Civil Accounts 2023-24, Govt. of the Punjab)

The quarterly tax revenue collection during the financial year 2023-24 is as under:



(Data Source: Civil Accounts 2023-24, Govt. of the Punjab)

The above line chart shows downward trend in 2<sup>nd</sup> and 4<sup>th</sup> quarter, however, there is upward trend of revenue collected by the department in 3<sup>rd</sup> quarter.

#### **4.2 Classified Summary of Audit Observations**

Audit observations (recoveries) amounting to Rs. 242.029 million pertaining to provincial receipts were raised in this report during the current audit of Transport & Masstransit Department.

Whereas, recovery of Rs. 242.029 million as stated above includes Rs. 158.595 million against which department already has raised the demands but plan in respect of recovery is not available with the departments

## *Overview of audit observations*

*(Rs. in million)*

Sr. No.	Classification	Amount
1	Irregularities (Non/less-realization of Government revenue)	172.43
2	Value for money and service delivery issues	69.6

### **4.3 Brief comments on the status of compliance with PAC directives**

The status of compliance with PAC directives, for reports discussed so far, is given below:

Sr No	Audit Report Year	Total Paras	Compliance received	Compliance not received	Percentage of compliance
1	1985-1986	1	1	0	100
2	1986-1987	1	0	1	0
3	1990-1991	2	1	1	50
4	1992-1993	1	0	1	0
5	1993-1994	1	0	1	0
6	1996-1997	1	0	1	0
7	1997-1998	1	0	1	0
8	1998-1999	1	1	0	100
9	1999-2000	2	2	0	100
10	2000-2001	1	0	1	0
11	2001-2002	1	1	0	100
12	2006-2007	2	1	1	50
13	2007-2008	3	1	2	33
14	2009-2010	3	1	2	33
15	2011-2012	2	2	0	100
16	2013-2014	2	2	0	100
<b>Total</b>		<b>25</b>	<b>13</b>	<b>12</b>	<b>52</b>

The compliance with PAC directives in Transport & Masstransit Department is 100 percent for Audit years 1985-86, 1998-99, 1999-2000, 2001-02, 2011-12& 2013-14. For other years, department needs to be more proactive.

## **4.1 AUDIT PARAS**

### *Irregularities*

#### ***4.4.1 Non-recovery of lease rent from Opus Inspection Limited-Rs. 119.86 million***

As per Clause 1.3.2 of general conditions of the agreement between Secretary Transport Department and Opus Inspection (Pvt) Ltd, the company shall pay the lease/rent of land throughout the concession period at the rate determined by the relevant authority with annual increase of 10% or as per rate of inflation as notified by the Pakistan Bureau of Statistics, whichever is less.

During audit of the accounts of Secretary, Transport & Masstransit Department, Lahore for the period 2022-24, it was observed that the company has not paid lease rent on land allotted for the construction of Vehicle Inspection & Certification System (VICS) stations on monthly basis amounting to Rs. 119,863,359.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-recovery of lease rent of land.

When pointed out during month of November, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends to take immediate legal action to recover the outstanding amount along with penal interest.

*(AMIS Para ID 2024-0000005514\_F00003)*

#### ***4.4.2 Non-renewal of performance guarantee-Rs. 32.44 million***

Schedule-VI (Performance Guarantee) of agreement between Opus Private Limited and Transport & Masstransit Department describes the format for performance guarantees required during the course of agreement. Clause 5 of tender document states that the successful bidder shall deposit 10% of the total cost of the purchase/ award letters the bidder shall also provide the performance guarantees in shape of CDR from any schedule bank.

During the course of audit of the Secretary Transport & Masstransit Department, it was observed that the contractor failed to deposit the renewed bank guarantee of Rs. 32,439,000 since 2020 and no action in this respect has been taken by the department to get the renewal of bank guarantee as prescribed in Schedule-VI of the agreement. Whereas, the contract was expired in 2020 but no efforts were made to get renewal of contract even after lapse of 4 years.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-renewal of contract and performance guarantee amounting to Rs. 32,439,000.

When pointed out during month of November, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that the performance guarantee be obtained from contractor and penalty be imposed on contractor for period under default at the applicable KIBOR rates.

*(AMIS Para ID 2024-0000005514\_F00005)*

#### ***4.4.3 Non-imposition of penalties over non-operational VICS stations- Rs. 9.65 million***

Appendix A (Construction and Operation Deadlines) of Agreement between company and Transport Department states that “operation deadline shall be within 12 months from site possession date or within 24 months from the date of signing concession agreement failing to comply with the above-mentioned deadlines, the Department may impose fines/ penalties: For each VICS Station, the Authority may penalize the concessionaire for a fixed fine of PKR 50,000 per month.

During the course of audit of the Secretary, Transport & Masstransit Department, for the period 2022-24, it was observed that the M/s OPUS Ltd had not constructed inspection facilities at Faisalabad, Multan, Sialkot, Narowal, Okara and Bahawalnagar even after the lapse of 10 years. But the department failed to impose penalty amounting to Rs. 9,650,000 on contractor for non-construction of VICS station.

Audit is of the view that weak administrative and internal controls on the part of management resulted in non-imposition of penalties over non-operational VICS stations amounting to Rs. 9,650,000.

When pointed out during month of November, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that the amount be recovered from concerned and a certificate signed by Administrative Department be made available to audit regarding the reasons for non-imposition of penalties as indicated in Schedule-IV of agreement.

*(AMIS Para ID 2024-0000005514\_F00007)*

#### 4.4.4 Non-realization of government revenue -Rs. 6.29 million

According to Sections 34 (1) (b) and 60 of the Motor Vehicles Ordinance 1965, read with Rules 64 (2), 85 and 91 of the Motor Vehicles Rules, 1969 “Route Permit is issued for a specific period. On expiry of that period, it is required either to be surrendered to the issuing authority or be got renewed on payment of prescribed fee. In case of default, registration of such vehicles is liable to suspension. Furthermore, revise rate applicable as per Notification No. SO(P-1)2-1/2017 (RPBW) dated: 09.04.2021”.

In pursuance of Government of the Punjab, Transport Department Notification No. SO-TR-I/9-2/96, Dated: 22.07.1996, amended vide Notification No. SO-TR-I/2-3/2006, Dated: 22.07.2006, C-Class and D-class stands situated within the limits of Corporation, Municipal Corporation and Town Committee area/rural area are required to be renewed on payment of prescribed fee.

During audit of the four formations of the Transport & Masstransit Department, it was observed that the management had not taken any action against permit holders who had neither surrendered their expired route permits nor got the same renewed. Further, expired licenses of bus stands had not been renewed by the proprietors of the stands and no action has been taken against the goods forwarding agencies operating without having licenses. Details are as under:

(Amount in Rs.)

Sr. No	Name of Formation	PDP No	Subject	Amount
1	Secretary PTA, Lahore	2024-0000001532_F00001	Non-realization of Govt. revenue due to non-renewal of route permits of vehicles	1,998,150
2	Secretary District Regional Transport Gujrat	2024-0000001559_F00003	Non-realization of renewal fee of C & D - Class Stands licenses	600,000
3	Secretary District Regional Transport Gujrat	2024-0000001559_F00004	Non-realization of government revenue due to non-renewal of route permits	826,159
4	Secretary District Regional Transport Gujrat	2024-0000001559_F00005	Non-realization of penalty due to late renewal of Route Permit	450,800
5	Secretary District Regional Transport Gujrat	2024-0000001559_F00006	Loss due to non-issuance of license to goods forwarding	630,000

Sr. No	Name of Formation	PDP No	Subject	Amount
			agencies.	
6	District Regional Transport Authority Vehari	2024-0000004316_F00004	Loss due to non-issuance of license to goods forwarding agencies.	875,000
7	Secretary DRTA, Jhelum	2024-0000005329_F00002	Non-realization of government revenue due to non-renewal of Rout Permit	912850
<b>Total</b>				<b>6,292,959</b>

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-realization of government revenue amounting to Rs. 6,292,959.

When pointed out during the months of May to November, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends to recover the government dues along with prescribed penalty at the earliest

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 4.4.3 having financial impact of Rs. 3.100 million. Recurrence of same irregularity is a matter of serious concern.

#### ***4.4.5 Non-deposit of road checking fine into Govt. Treasury -Rs. 4.184 million***

Section 116-A (Ticketing System.) of the Motor Vehicle Ordinance 1965 states that “(1) Notwithstanding anything contained in the Ordinance or any other law, if a person commits an offence mentioned in the Twelfth

Schedule, an authorized police officer or a person authorized by the Government may, at the spot, draw a charge against him stating the offence.

(2) The police officer or the authorized person shall draw the charge on five copies of Form-J and shall immediately–

(a) deliver three copies of Form-J to the accused and get the acknowledgement;(b) forward the fourth copy and the seized document to the bank branch, the post office or the traffic sector office from where the accused may get his document after payment of the fine; and (c) retain the fifth copy in office for record.

During audit of the District Regional Transport Authority (DRTA), Gujrat, it was observed that the Motor Vehicle Officer during road checking duty issued tickets (Challan) and collected a fine of Rs. 4,184,000 but the same vehicle numbers are not reflected in summary registers used to collect and deposit fine into treasury.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-deposit of fine collected during road checking amounting to Rs. 4,184,000.

When pointed out during month of May, 2024. No reply was offered by authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends to probe the matter and fine be deposited in treasury besides fixing responsibility and reporting mechanism be devised for field formation to avoid such lapses in future.

*(AMIS Para ID 2024-0000001559\_F00002)*

*Value for money and service delivery issues*

**4.4.6 Inaction of Claims Tribunal for compensating the passengers died or injured in accidents and non-existence of monitoring mechanism -Rs. 69.600 million**

Section 67 (Compensation for the death of, or injury to a passenger) of the Provincial Motor Vehicles Ordinance, 1965 states that (1) In the case of death of or injury to a passenger in a stage carriage or a contract carriage, other than a contract carriage constructed, adapted or used to carry not more than six passengers including the driver, arising out of the use of such carriage, the holder of the permit or, in the absence of the permit, the owner of the carriage shall pay, as compensation to the passenger or the legal representatives of the passenger, the amount specified in the Thirteenth Schedule.

(2) The compensation payable under sub-section (1) shall be in addition to any sum which the person entitled to receive compensation may receive or be eligible to receive under a policy of insurance under the provisions of Section 95 of the Motor Vehicles Act, 1939 (IV of 1939).

During audit of the two formations of the Transport & Masstransit Department for the period 2016-24, it was revealed that 108 road accidents has occurred in District Vehari causing 168 causalities leaving 184 injured persons but the Claims Tribunal Vehari had failed to grant compensation to the persons died or injured in such accidents.

Furthermore, during the audit of the Secretary, Transport & Masstransit Department, it was also observed that hundreds of accidents took place in all over the Punjab, but no centralized data is maintained by the department to monitor the implementation of above said law for ensuring the expeditious payment of compensation to deceased or injured person.

Whereas, Compensation Tribunal was part of PC-1 of TDAS but the same was not developed under the IT system. The absence of monitoring mechanism, deceased or injured persons are deprived of compensation required to be paid by transporter or its insurer.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in inaction of Claims Tribunal for granting compensation to the passengers died or injured in road accidents Rs. 69.600 million.

When pointed out during months of October and November, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that compensation to persons be granted besides matter be probed to fix responsibility and administrative instructions be issued in province to take action as per law.

*(AMIS Para ID 2024-0000004316\_F00002 & 2024-0000005514\_F00014)*

#### ***4.4.7 Unlawful issuance of license to operate D-class stands and violation of terms & condition of license***

Sub-rule 3 of Rule 263 of the Motor Vehicle Rule, 1969 states that “Before giving permission for the establishment of stand of Class D, the Regional Transport Authority shall satisfy that the proposed site is not in such a location as would give the user an undue advantage over the owners of stages operating in competition with him from General Stand or stands. Rule 253-A of the rules *ibid* prescribed minimum area and fee for C & D Class Stands as “the Regional Transport Authority shall, before granting

license of C&D Class Stands, satisfy itself that the applicant fulfils the minimum criteria for the grant of such license.

During scrutiny of record of DRTA Vehari for the period 2016-24, it was observed that the authority had not taken any action for violation committed by D-class license holder as indicated below:

- i. Daha Brothers, Nadir Flying Coach, Madina flying Coach and Al-Barkat Travels are still operating despite having area less than two kanals. Whereas, the land ownership for D-class stand is 4 kanal for District Headquarters and two kanal for tehsils.
- ii. The stands do not have ownership of minimum requirement of 8 vehicles.
- iii. License on state land has been granted to Niazi Super, Mailsi without approval from government.
- iv. All stands are operating vehicles of other companies or persons on commission basis against the rules.
- v. License holder of D-class stand (Daha Brothers) has encroached state land for parking of vehicle.
- vi. Two stands in Vehari (Daha Brothers, Nadir Flying Coach) were unlawfully granted licenses in competition with general bus stand.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in unlawful issuance of license for operating D-Class stands.

When pointed out during month of October, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that steps be taken to fulfil the requirement of law besides responsibility be fixed for inaction of authority in this regard.

(AMIS Para ID 2024-0000004316\_F00003)

#### ***4.4.8 Inadequate installed capacity for inspections of 2.331 million vehicles causing smog and environmental hazards***

As per agreement with M/s Opus Inspection (Pvt) Ltd and Secretary, Government of the Punjab, Transport Department, states that the minimum operating hours for 'VICS' stations should not be less than 10 hours per day and minimum 6 working days per week. The concessionaire must aim to follow the vehicle inspection time as: Inspection Time (min) Heavy Traffic Vehicle: 30, Light Traffic Vehicle: 20 and Rikshaw: 15.

During the audit of the Secretary, Transport & Masstransit Department for the period 2022-24, it was observed that as per registered vehicle data of Excise & Taxation Department (for year 2022), total number of commercial vehicles for which M/s Opus Limited is required to inspect twice in a year are 1,165,883 (twice the vehicle 2,331,766).

Whereas, M/s Opus Inspection (Pvt) Ltd has installed capacity limited to inspect 310,050 vehicle which is just 13.11 % of total population of vehicle registered in the Punjab being based on minimum time required for inspection as prescribed in agreement. The department is under obligation to manage the inspection of 2,331,766 but the contractor has inspected only 9% of vehicle count in 2023-24 (123,323 and 218,729 vehicles in 2022-23 and 2023-24 respectively).

Audit is of the view that weak administrative improper planning, management policy and lack of internal controls resulting in inappropriate planning inadequate installed capacity for inspections of 2.331 million vehicles causing smog and environmental hazards.

When pointed out during month of November, 2024. No reply was offered by the concerned authorities.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that less installed capacity and poor performance for vehicle inspection be probed for penalizing the contractor besides measures be taken to improve the vehicle certification count.

(AMIS Para ID 2024-0000005514\_F00010)

#### ***4.4.9 Administrative inaction over generating revenue and spending of municipal stand without approval of government***

Rule 259 (Municipal Stands) of the Motor Vehicle Rules, 1969 states that “A local Authority administering a stand of class shall maintain separate accounts for income and received and expenditure incurred in respect of it, and these account accounts together with the accounts of any manager or contractor employed by local authority in connection with the stand shall be subject to audit under arrangements made by government and shall be open to inspection at all reasonable times by the Regional Transport Authority and any official appointed by it for the purpose.

Rule 260 of the rules *ibid* (disposal of money accruing to government) states that “Moneys accruing to government from administration of stand shall be devoted subject to vote of legislator, to

- (a) The carrying out of improvement and the provision of amenities at the stands,
- (b) The acquisition of sites for stands

Any other object which in the opinion of government conducs to the welfare of persons employed in the motor transport industry and travelling public”

During scrutiny of record of Secretary, Transport & Masstransit Department for the period 2022-24, it was observed that the Administrative Department had not taken any action for implementing rules as prescribed above for handling the affairs of income and expenditure of Municipal Stands on the ground given below:

- i. Sanction of expenditure was not done by DRTA,
- ii. The surplus was not transferred to government,
- iii. The expenditure was made without any prior approval or sanction of legislator

Audit is of the view that weak administrative and internal controls on the part of the management resulted in administrative inaction over generating revenue and spending of Municipal stand without approval of government.

When pointed out during month of November, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that steps be taken to fulfil the requirement of rules and income be transferred to government since the date of operation of stand.

(AMIS Para ID 2024-0000005514\_F00011)

#### ***4.4.10 Non-existence of mechanism for monitoring the 947,154 vehicles plying without route permits***

According to Sections 34 (1) (b) and 60 of the Motor Vehicles Ordinance 1965, read with Rules 64 (2), 85 and 91 of the Motor Vehicles Rules 1969, Route Permit is issued for a specific period. On expiry of that period, it is required either to be surrendered to the issuing authority or be

got renewed on payment of prescribed fee. In case of default, registration of such vehicles is liable to suspension. Furthermore, revise rate applicable as per Notification No. SO(P-1)2-1/2017 (RPBW) dated: 09.04.2021.

During audit of the Secretary, Transport & Masstransit Department for the period 2022-24, it was revealed that the department is unaware of total number of route permits issued in whole of the Punjab as IT system has no reporting mechanism or dash board available with the department providing adequate statistics for decision making and implementing the Motor Vehicle laws.

As per summary available with audit, VICS has issued fitness certificates to 218,729 vehicles in 2023-24 (including twice inspected vehicles as well) meaning thereby out of 1,165,883 vehicles, 947,154 vehicles (81 %) are plying on roads without any route permits. Even the performance if compared with 792,000 (till June 2022) active vehicles being paid token tax at E&T Department, the route permit count remains only 27.61 % leaving balance 573,271 (72 %) vehicles are plying on road without having route permits.

Whereas, computerization of Transport Department under MTMIS Project Phase-II has been done with prescribed objectives like ensuring effective policing by providing reliable and valid statistics on vehicle population; maintaining correct and updated databases of vehicle population in each target DRTA but TDAS system was not issuing regular reports for Administrative Department and resultantly decision making and monitoring regime has suffered inadequacy due to non-existence of mechanism. This inaction of the department is causing a yearly loss of Rs. 2,866,355,000 (approximately) having minimum per vehicle rate of Rs. 5000.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-existence of mechanism for monitoring the 947,154 vehicles plying without route permits.

When pointed out during month of November, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that reporting mechanism at administrative level be devised to improve the route permit counts besides district wise laxity on part of field formation be probed for poor route permit count.

(AMIS Para ID 2024-000005514\_F00012)

#### ***4.4.11 Non-implementation of zoning of addas in cities***

Sub rules f and g of Rule 253-A of the Motor Vehicle Rules, 1969 states that the Regional Transport Authority shall indicate and earmark zones and the requisite number of C&D Class Stands in a particular zone, with the approval of the Government. The Regional Transport Authority may review the zoning and number of C&D Class Stands after a period of ten years with the approval of the Government.”

During audit of the Secretary, Transport & Masstransit Department for the period 2022-24, it was observed that the requirement of above-mentioned rules was not fulfilled by the department causing growth of addas in the vicinities of general bus stands being a clear violation of law.

Audit is of the view that weak administrative and internal controls on the part of the management resulted in non-implementation of zoning of addas in cities due to ineffective and weak internal control.

When pointed out during month of November, 2024. No reply was offered by the authority.

The matter was further reported to the Administrative Department. Neither any reply was received nor DAC meeting convened till the finalization of the report despite issuance of reminders in November and December, 2024.

Audit recommends that requirement under the law be fulfilled immediately besides licenses granted against the provisions of law be probed and canceled as per law.

*(AMIS Para ID 2024-0000005514\_F00015)*

# MFDAC

[Annexure-1]

## BOARD OF REVENUE

(Amount in Rupees)

Sr.	Name of Formation	Para ID	Title	Amount
1	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00009	Illegal Internal transfer by the Private Housing Schemes	-
2	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00010	Non-Reconciliation of Revenue Figure with the District Accounts office	-
3	ARC, Muridke	2024-0000001352_F00004	loss to Government exchequer due to non- confirmation for deposit of mutation fee of interim mutation	6,912,765
4	ARC, Muridke	2024-0000001352_F00009	Non Reconciliation of Revenue Figures.	-
5	AC, Ferozwala	2024-0000001355_F00009	Non retrieval of state Land 1832 Acres	-
6	AC, Ferozwala	2024-0000001355_F00010	Allotment of 69 Kanal of agricultural land for three years lease (pata) in Chak No 50 (UC)C	-
7	AC, Ferozwala	2024-0000001355_F00011	Non recovery of tawan and penalty on land retrieved from encroachers/ illicit cultivator	-
8	AC, Ferozwala	2024-0000001355_F00012	non retrieval of compact piece of land of water courses and passages encroached by housing societies	-
9	AC, Ferozwala	2024-0000001355_F00014	Non Maintenance Of Record As Prescribed Under The Punjab Agricultural Income Tax Rules 2001	-
10	AC, Ferozwala	2024-0000001355_F00015	Non Auction Of Vacant State Land Under Temporary Cultivation Scheme	-
11	AC, Ferozwala	2024-0000001355_F00017	Inability To Curb Speedy Growth Of Illegal Housing Scheme And Attesting The Sales Document In Scheme	-
12	AC, Ferozwala	2024-0000001355_F00021	Non-reconciliation of revenue statement from Accountant General Punjab office/Treasury Office.	-
13	ARC, Tandlewala	2024-0000001360_F00009	Non Computerization of Data of Land Record of 15 Mauzas	-
14	ARC, Minchinabad	2024-0000001517_F00011	Non formulation of policy or SOPs for addressing the Missing Mutations	-
15	ARC, Minchinabad	2024-0000001517_F00012	Non-reconciliation of revenue statement from Treasury Office	-
16	ARC, Minchinabad	2024-0000001517_F00013	Non Computerization of Data of Land Record of 24 Mauzas	-
17	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00009	Illegal Internal transfer by the Private Housing Schemes	-

Sr.	Name of Formation	Para ID	Title	Amount
18	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00010	Non-reconciliation of revenue statement from Treasury Office	-
19	SMBR, Punjab	2024-0000002768_F00033	Non Maintenance of proforma as prescribe in West Punjab Stamp Inspection and Audit Rules, 1949	-
20	SMBR, Punjab	2024-0000002768_F00034	Audit of Privatization Board not conducted .	-
21	SMBR, Punjab	2024-0000002768_F00035	Non maintenance of Annual Report by Punjab Privatization Board	-
22	SMBR, Punjab	2024-0000002768_F00038	Non availability of record of Settlement and Rehabilitation wing	-
23	SMBR, Punjab	2024-0000002768_F00053	Non-Recovery of Lease Rent Rs. 3,129,911,385	3,129,911,385
24	Sub-Registrar, Renala District Okara	2024-0000003281_F00008	Loss of Government Revenue due to Misclassification of Sale deed as Waqaf Nama -Rs. 1,171 million	1,171,424
25	Sub-Registrar, Renala District Okara	2024-0000003281_F00009	Non-Deposit/realization of Mutation Fee on Registered Deed Rs. 490500	490,500
26	Sub-Registrar, Renala District Okara	2024-0000003281_F00010	Non-delisting of E-stamp papers of Rs.10.709 million	10,709,486
27	Sub-Registrar, Renala District Okara	2024-0000003281_F00011	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-
28	Sub-Registrar, Okara	2024-0000003428_F00015	Non-delisting of E-stamp papers of Rs.12.428 million	12,428,325
29	Sub-Registrar, Okara	2024-0000003428_F00016	Non-Reconciliation of Revenue Figure with the District Accounts/Treasury Office	-
30	Sub-Registrar, Okara	2024-0000003428_F00017	Discrepancies in maintenance of record and process relating to registration of sale deeds of immovea	-
31	ADLR Gujrat	2024-0000004511_F00009	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
32	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00008	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance.	-
33	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00009	Non-reconciliation of revenue statement from Treasury Office	-
34	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00009	Non-reconciliation of revenue statement from Treasury Office	-
35	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00010	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance	-

Sr.	Name of Formation	Para ID	Title	Amount
36	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00009	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance	-
37	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00010	Non maintenance of recovery statement and non-Reconciliation of Revenue Figures	-
38	Sub Registrar, Ferozwala	2024-0000004885_F00010	Loss of government Revenue due to missing of Sale deed	-
39	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00012	Non-reconciliation of revenue statement from Treasury Office	-
40	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00013	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance	-
41	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00009	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance	-
42	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00010	Non entry of Executed deed in refused for attesting due to non-deposit of FBR taxes	78,121,662
43	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00011	Non-Reconciliation of Revenue Figures	-
44	Sub Registrar, Chiniot	2024-0000004909_F00009	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance.	-
45	Sub Registrar, Chiniot	2024-0000004909_F00010	Non-reconciliation of revenue statement from Treasury Office	-
46	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00011	Inaction over passing registries against task numbers assigned to documents	-
47	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00012	Non-Reconciliation of Revenue Figures	-
48	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00010	Non-reconciliation of revenue statement from Treasury Office	-
49	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00011	Transfer of properties without discharging the liability under Section 7E of Income Tax Ordinance	-
50	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00003	Less Realization of Advance Taxes on leases and nonapplication of FBR rates to land	115,371,426
51	Sub Registrar, Nishtar Town Lahore	2024-0000004895_F00008	Non-Realization of Advance Taxes on leases of immovable properties - Rs. 23,784,056	23,784,056

Sr.	Name of Formation	Para ID	Title	Amount
52	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00010	Less realization of withholding tax u/s 236-k from buyers on transfer of immovable property	2,840,335

**MFDAC**  
**Excise & Taxation Department**

*(Amount in Rs.)*

Sr. No	Name of Formation	Para ID	Title	Total Amount
1	DG Excise & Taxation, Lahore	2024-0000001281_F00006	Irrational allocation of targets to field offices without inclusion of previous arrears	-
2	ETO-Faisalabad	2024-0000001526_F00021	In-admissible exemption, from Property Tax, granted to widows– Rs.3,402,000	3,402,000
3	ETO-Faisalabad	2024-0000001526_F00027	Non-realization of arrears of professional tax – Rs. 8,645,000 – 3,217,500 = 5,427,500	5,427,500
4	ETO-Faisalabad	2024-0000001526_F00028	Non-carry forward of demand of professional tax- Rs. 1,311,000.	1,311,000
5	ETO-Faisalabad	2024-0000001526_F00007	Short realization of property tax due to incorrect assessment of petrol pump - Rs. 41,589,723	41,589,723
6	DG Excise & Taxation, Lahore	2024-0000001281_F00024	Short assessment of property tax by considering the petrol pumps as self-properties Rs. 122,258,386.	122,258,386
7	ETO-Faisalabad	2024-0000001526_F00009	Non-realization of old Arrears of Property tax relating to 5 Marla houses - Rs. 1,651,306 – 8,097 = 1,643,209	1,643,209
8	ETO-Faisalabad	2024-0000001526_F00010	Non-realization of arrears of property tax relating to 5 Marla A category houses– Rs. 2,185,260	2,185,260
9	ETO-Faisalabad	2024-0000001526_F00016	Non-realization of property tax due to grant of irregular exemption to trust – Rs.10,073,994	10,073,994
10	ETO-Faisalabad	2024-0000001526_F00018	Non-realization of property tax due to grant of wrong exemption- Rs. 1,666,208.	1,666,208
11	ETO-Gujranwala	2024-0000001527_F00021	Non achievement of Revenue Targets Rs. 528.923 million	-
12	ETO-Gujranwala	2024-0000001527_F00020	Non-realization of property tax due to grant of irregular exemption to trust – Rs. 3,013,773	3,013,773
13	ETO-Gujranwala	2024-0000001527_F00019	Non-recovery of property tax due to issuance of stay order by Courts Rs. 11,364,707	11,364,707

Sr. No	Name of Formation	Para ID	Title	Total Amount
14	ETO-Gujranwala	2024-0000001527_F00022	Non-Reconciliation of Revenue Figures statement with DAO/Treasury office	-
15	ETO-Gujranwala	2024-0000001527_F00018	Short assessment of property tax due to non accountal of land area while tax calculation Rs. 35,361	35,361
16	ETO Gujranwala	2024-0000001527_F00006	Non-Realization of Arrears relating to 5 Marla housesf Rs. 826,358-1,765=824,593	824,593
17	DG Excise & Taxation, Lahore	2024-0000001281_F00026	Non recovery of Motor Vehicle (MVT) taxes from owners of private/commercial vehicles 430.211 million	430,211,485
18	DG Excise & Taxation, Lahore	2024-0000001281_F00025	Short-assessment of property tax on Grid Stations due to miscalculation by UIPT Rs. 188,049,554	188,049,554
19	DG Excise & Taxation, Lahore	2024-0000001281_F00022	Short-assessment of property tax on Towers Rs. 54,432,000	54,432,000
20	DG Excise & Taxation, Lahore	2024-0000001281_F00027	Short assessment of property tax due to non accountal of land area while tax calculation	24,952,517
21	DG Excise & Taxation, Lahore	2024-0000001281_F00023	Short-Realization of property tax due to treating main road (clusters properties) as off road	1,210,305
22	DG Excise & Taxation, Lahore	2024-0000001281_F00028	Short realization of property tax due to incorrect assessment of Banks – Rs 12.625 million.	12,625,108
23	ETO Sheikhpura	2024-0000004904_F00016	Non-realization of Professional tax from owners of private/commercial vehicles – Rs.62,400	62,400
24	ETO, Zone-IV, Lahore (Property Tax)	2024-0000005452_F00016	Irregular exemption from Property Tax to widows allowed under section 4(g) - Rs. 854,851 – 667,194 = 187,657	187,657
25	ETO, Zone-XII, Lahore (Property Tax)	2024-0000002747_F00012	Inappropriate assessment of property tax and discrepancies in Provision of computerized record	-
26	ETO, Zone-XII, Lahore (Property Tax)	2024-0000002747_F00011	Missing localities in Category wise Localities of Rating Area notification	-
27	ETO, Zone-XII, Lahore (Property Tax)	2024-0000002747_F00010	Non-Reconciliation of Revenue Figures statement with DAO/Treasury office	-

Sr. No	Name of Formation	Para ID	Title	Total Amount
28	ETO, Zone-XII, Lahore (Property Tax)	2024-0000002747_F00008	Non realization/Non activation of tax command of taxable units on UITP system of Rs. 781928	781,928
29	ETO, Zone-XII, Lahore (Property Tax)	2024-0000002747_F00007	Short assessment of property tax of - Rs. 1112301	1,112,301
30	ETO, Rawalpindi	2024-0000003290_F00031	Non-Reconciliation of Revenue Figures statement with DAO/Treasury office	-
31	ETO, Rawalpindi	2024-0000003290_F00030	Irregular exemption to retired persons over prescribed limit and without documentation Rs.6,480,913 – 127,561 = 6,353,352	6,353,352
32	ETO, Rawalpindi	2024-0000003290_F00029	Short-realization of Property tax due to grant of exemption to and above prescribed limit-Rs.10,628,040 – 23,202 = 10,604,838	10,604,838
33	ETO, Rawalpindi	2024-0000003290_F00025	Improper Conduct of Survey without Measurements land/covered area zero	-
34	ETO, Rawalpindi	2024-0000003290_F00024	Non-realization of Property tax due to exemption to Residential property A category units with land Rs. 356,838-15,530 = 341,308	341,308
35	ETO, Rawalpindi	2024-0000003290_F00022	Short realization of property tax due to incorrect assessment of Banks – Rs.452,424 – 151,320 = 301,104	301,104
36	ETO, Rawalpindi	2024-0000003290_F00020	Short realization of property tax due to incorrect assessment of petrol pump - Rs.4,732,232 – 450,480 = 4,281,752	4,281,752
37	ETO, Rawalpindi	2024-0000003290_F00018	Short assessment of property tax due to non accountal of land area while tax calculation Rs. 491,338	491,338
38	ETO, Zone-V, Lahore (Property Tax)	2024-0000003429_F00016	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
39	ETO, Zone-V, Lahore (Property Tax)	2024-0000003429_F00014	In-admissible exemption, from Property Tax, granted to widows– Rs.814,050 – 583,200 = 230,850	230,850
40	ETO, Zone-V, Lahore (Property Tax)	2024-0000003429_F00007	Non-realization of old Arrears of Property Tax relating to 5 Marla houses - Rs. 539,317 -26,825 = 512,492	512,492
41	ETO, Zone-VII, Lahore	2024-0000003430_F00023	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-

Sr. No	Name of Formation	Para ID	Title	Total Amount
	(Property Tax)			
42	ETO, Zone-VII, Lahore (Property Tax)	2024-0000003430_F00021	Improper Conduct of Survey without Measurements of Open Plots	-
43	ETO, Zone-VII, Lahore (Property Tax)	2024-0000003430_F00020	Non-realization of Property tax due to allowing excess exemption of double five marla property units	460,282
44	ETO, Zone-VII, Lahore (Property Tax)	2024-0000003430_F00019	Non-realization of property tax relating to 5 Marla houses situated in rating area of category A	1,153,482
45	ETO Zone-X, Lahore	2024-0000003799_F00023	Non-Reconciliation of Revenue Figures statement with DAO/Treasury office	-
46	ETO Zone-X, Lahore	2024-0000003799_F00022	Improper Conduct of Survey without Measurements land/covered area zero	-
47	ETO Zone-X, Lahore	2024-0000003799_F00021	Non-realization of arrears of Property Tax on Open Plots – Rs.663,678 – 71,217 = 592,461	592,461
48	ETO Zone-X, Lahore	2024-0000003799_F00020	Non-realization of Arrears of Property tax relating to 5 Marla houses - Rs. 366,871 – 9,128 = 357,743	357,743
49	ETO Zone-X, Lahore	2024-0000003799_F00019	Non-realization of Property Tax from State Owned Organizations - Rs.405,815	405,815
50	ETO Zone-X, Lahore	2024-0000003799_F00016	In-Admissible Exemption of property tax of Commercial Property units of property types from “Regular	677,310
51	ETO Zone-X, Lahore	2024-0000003799_F00012	Short-assessment of property tax on Grid Stations due to miscalculation by UIPT Rs.552,720	552,720
52	ETO Zone-X, Lahore	2024-0000003799_F00011	Short assessment of property tax due to non accountal of land area while tax calculation Rs. 275,063	275,063
53	ETO Zone-X, Lahore	2024-0000003799_F00008	Short-assessment of property tax on Towers as rent base- Rs.498,000	498,000
54	Director General, Excise & Taxation	2024-0000003928_F00022	Loss due to non-computerization and data integration of excise, professional tax and abutting area p	-
55	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00022	Improper Conduct of Survey without Measurements land/covered area zero	-

Sr. No	Name of Formation	Para ID	Title	Total Amount
56	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00021	Non-realization of property tax due to grant of irregular exemption to trust – Rs	310,338
57	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00016	In-Admissible Exemption of property tax on above five marla from “Regular” Property Units-Rs.383,820 – 144,024 = 239,796	239,796
58	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00015	Short realization of property tax due to incorrect assessment of petrol pump - - Rs.101,997	101,997
59	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00014	Short assessment of property tax due to non accountal of land area while tax calculation Rs.138,862	138,862
60	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00013	Non-realization of property tax running as demolished/under process units Rs.311,870 – 30,522 = 281,348	281,348
61	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00011	Short-assessment of property tax on Towers as rent base- Rs.610,204	610,204
62	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00008	Short realization of Property Tax due to wrong remission amounting to Rs.446,553 – 22,032 = 424,521	424,521
63	ETO, Zone-II, Lahore (Property Tax)	2024-0000003929_F00005	Short-Realization of property tax due to wrong location of main road to an off road clusters propert	102,922
64	ETO Sheikhpura	2024-0000004904_F00027	Improper Conduct of Survey without Measurements land/covered area zero	-
65	ETO Sheikhpura	2024-0000004904_F00025	Short-realization of Property tax due to grant of exemption to and above prescribed limit-Rs.2,192	2,192,478
66	ETO, Zone-III, Lahore	2024-0000005227_F00018	Non-Assessment of Taxable Property Units Rs.	-
67	ETO, Okara	2024-0000005331_F00015	Updating and exempting the token tax without observing the formalities and supporting documents	-
68	ETO, Zone-IV, Lahore (Property Tax)	2024-0000005452_F00020	Non-Reconciliation of Revenue Figures statement with DAO/Treasury office	-
69	ETO, Zone-IV, Lahore	2024-0000005452_F00011	Un-authorized exemption from Property Tax to widows allowed under	73,220

Sr. No	Name of Formation	Para ID	Title	Total Amount
	(Property Tax)		Section 4(g) – Rs. 207,414 – 134,194 = 73,220	
70	ETO, Zone-VI, Lahore (Property Tax)	2024-0000005517_F00014	Non reconciliation of revenue statement from Accountant General Punjab office/Treasury Office	-
71	Director General, Excise & Taxation	2024-0000003928_F00019	Short realization of Vend fee	33,978,695
72	ETO Zone-X, Lahore	2024-0000003799_F00018	Excess exemptions granted to widows for property tax Rs. 1,616,573 - 92,420 = 1,524,153	1,524,153
73	ETO, Zone-II, Lahore	2024-0000003929_F00017	Excess exemptions granted to widows for property tax 1,088,060 – 111,852 = 976,208	976,208
74	ETO, Multan	2024-0000004900_F00005	Excess exemptions granted to widows for property tax Rs. 8,311,618-4,330,379 = 3,981,239	3,981,239
75	Excise, Taxation & Narcotics Control Deptt	2024-0000001526_F00024	Non realization of property tax for agricultural land	Rs. 1.380 million
76	DG Excise and Taxation, Lahore	2024-0000003928_F00009	Loss of tax potential of Rs. 700 million and impact on general public due to non-issuance to license to Tabaco vendors	-
77	DG Excise and Taxation, Lahore	2024-0000003928_F00016	Loss of Government due to non-reporting/monitoring of D-2 and L-2 license holders' Potential tax	Rs 101.295 million
78	Excise & Taxation Officer (Excise) Lahore	2024-0000004894_F00005	Loss of govt. revenue due to Pharmaceutical industrial units consuming spirit without having L-42B	Rs.1.380 million
79	DG Excise and Taxation, Lahore	2024-0000003928_F00025	Ineffective Monitoring due to Stoppage of Standardized Retro Reflective number plates and pendency	-
80	MRA Faisalabad	2024-0000004334_F00007	Non initiation of disciplinary proceeding in case of lost allotment registers and delayed action	-
81	DG Excise and Taxation, Lahore	2024-0000003928_F00020	Concealment of sale of liquors to avoid potential vend fee of	Rs. 1,877.487 million
82	DG Excise & Taxation, Lahore	2024-0000001281_F00021	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	535,435,267

Sr. No	Name of Formation	Para ID	Title	Total Amount
83	ETO Faisalabad	2024-0000001526_F00011	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	106,163,933
84	ETO, Zone-XII, Lahore	2024-0000002747_F00004	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	66,916,614
85	ETO, Multan	2024-0000004900_F00021	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	22,548,997
86	ETO Sheikhpura	2024-0000004904_F00028	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	5,828,292
87	ETO, Zone-III, Lahore	2024-0000005227_F00007	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	16,951,726
88	ETO, Zone-IV, Lahore	2024-0000005452_F00007	Short assessment of tax due to incorrect application of reduced rate to godowns by treating as tin-shed	8,481,194
89	Director General, Excise and Taxation, Lahore	2024-0000003928_F00018	Less transfer of registration fee collected through E-pay into treasury - Rs 2,988.262 million	2,988,262,439
90	MRA, Faisalabad	2024-0000004334_F00004	Improper maintenance of record for road checking and non-recovery of Rs. 10.258 million	10,258,924
91	DG Excise and Taxation, Lahore	2024-0000003928_F00021	Blockage of Government receipts by depositing excise duty in bank account of Lahore High Court without any certification -Rs. 3000 million	3000 million
92	DG Excise and Taxation, Lahore	2024-0000003928_F00005	Loss of Government due to condonation of double excise duty without documentary evidences-Rs.100.883 million	100.883 million

## MFDAC

### PUNJAB REVENUE AUTHORITY

(Amount in Rs.)

Sr.	Name of Formation	Para ID	Title	Amount
1	PRA	2024-0000005515_F00024	Non Assessment Of Previous Years Tax Liability From Late Registered Tax Payers	-
2	PRA	2024-0000005515_F00031	Non Reconciliation Of Pidc Collection Figures With Ag Office	628,407.00

Sr.	Name of Formation	Para ID	Title	Amount
			As Rs 628,407 Not Account For By Pra	
3	PRA	2024-0000005515_F00035	Inaction Over Non Collection Of Pst From Regular Tax Payers Who Paid More Than Rs. 100 Million Pst I	-

## MFDAC

### TRANSPORT DEPARTMENT

(Amount in Rs.)

Sr.	Name of Formation	Para ID	Title	Amount
1	Secretary, Transport, Lahore	2024-0000005514_F00006	Non recovery of amount after enquiry for Rs.15,042,450 and non-finalization of inquiry Rs.9,247,008.	24,289,458
2	Secretary, Transport, Lahore	2024-0000005514_F00018	Non-deposit of 50% share into Govt treasury, on collection of penalty for late inspection by Opus Inspection	-
3	Secretary, Transport, Lahore	2024-0000005514_F00021	Non submission of Monthly reports on Axle Load Management to Chief Secretary	-
4	Secretary, Transport, Lahore	2024-0000005514_F00022	Non achievement of deliverable of VICS Project and non-enforcement of penalties	-
5	Secretary DRTA, Jhelum	2024-0000005329_F00003	Non-realization of Licenses Renewal Fee of C - Class Stands – Rs. 338,000.	338,000
6	Secretary DRTA, Jhelum	2024-0000005329_F00004	Inaction of Claims Tribunal for granting compensation to the passengers died or injured in road accidents	750,000
7	Secretary DRTA, Jhelum	2024-0000005329_F00005	Non collection of License fees for carrying out the business of goods forwarding agencies-Rs.90,000.	90,000
8	Secretary DRTA, Jhelum	2024-0000005329_F00009	Illegal Bus/wagon stands (Addas)	-
9	Secretary DRTA, Jhelum	2024-0000005329_F00010	Non-Reconciliation of Revenue Figure With The Treasury Office	-
10	Secretary DRTA, Vehari	2024-0000004316_F00005	Less imposition of Fine on violation of Road Checking Rs. 344,700	344,700

Sr.	Name of Formation	Para ID	Title	Amount
11	Secretary DRTA, Vehari	2024-0000004316_F00006	Non-realization of government revenue due to non-renewal of Route Permits-Rs. 312,700	312,700
12	Secretary DRTA, Vehari	2024-0000004316_F00008	Non-realization of Renewal Fee of C & D - Class Stands Licenses – 68,000	68,000
13	Secretary DRTA, Vehari	2024-0000004316_F00009	Non availability of mechanism for Maintenance of record for Security Feature papers and Challan Book	-
14	Secretary DRTA, Vehari	2024-0000004316_F00010	Non-Reconciliation of Expenditure and Revenue Figure With The Treasury Office	-
15	Secretary District Regional Transport Gujrat	2024-0000001559_F00001	Irregular operation of Municipal stand and non-transfer of income to government.	210,539,771
16	Secretary District Regional Transport Gujrat	2024-0000001559_F00007	Non availability of mechanism for Maintenance of record for Security Featured paper and Challan Book	0
17	Secretary District Regional Transport Gujrat	2024-0000001559_F00009	Non availability of record for 814 vehicles impounded during road checking	0
18	Secretary District Regional Transport Gujrat	2024-0000001559_F00010	Irregular expenses of POL regarding vehicles.	1,383,195
19	Secretary District Regional Transport Gujrat	2024-0000001559_F00012	Non-Reconciliation of Expenditure and Revenue Figure with the Treasury Office	0
20	Secretary PTA Lahore	2024-0000001532_F00011	Loss of Government Revenue due to non-assessment of Goods forwarding Agency and body building workshop	0
21	Secretary District Regional Transport Gujrat	2024-0000001559_F00008	Non-reporting of 347 challans issued for offences during road checking and loss to government-Rs. 1.041 million	1,041,000

[Annexure -2]

**1.4.1 Non-imposition of penalty on purchase of property through non-banking channel - Rs. 2,821.73 million**

(Amount in Rs.)

S #	Name of Formation	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
1	ARC, Muridke	2024-0000001352_F00002	147	76,537,975	-	76,537,975
2	Sub Registrar, DG Khan	2024-0000001563_F00002	114	61,268,213	-	61,268,213
3	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00002	406	156,716,050	60,999,360	95,716,690
4	ARC, Minchinabad	2024-0000001517_F00001	92	46,755,035	-	46,755,035
5	ARC, Tandlewala	2024-0000001360_F00001	129	78,874,330	-	78,874,330
6	Sub Registrar, Samanabad	2024-0000001293_F00002	131	65,601,878	-	65,601,878
7	ADLR Gujrat	2024-0000004511_F00002	85	46,206,970	11,973,425	34,233,545
8	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00001	447	151,165,068	25,141,175	126,023,893
9	Sub Registrar, Chiniot	2024-0000004909_F00003	163	85,564,200	6,476,450	79,087,750
10	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00001	328	106,222,983	2,273,800	103,949,183
11	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00001	260	171,341,039	-	171,341,039
12	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00001	251	77,954,832	-	77,954,832
13	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00001	242	78,757,935	-	78,757,935
14	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00002	373	247,869,914	-	247,869,914

S #	Name of Formation	PDP No.	No. of Cases	Amount Pointed Out	Amount Verified	Balance
15	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00001	193	245,795,949	-	245,795,949
16	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00001	369	266,619,562	-	266,619,562
17	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00009	13	8,091,165	-	8,091,165
18	Sub Registrar, Ferozwala	2024-0000004885_F00001	933	934,904,337	-	934,904,337
19	Sub-Registrar, Renala District Okara	2024-0000003281_F00004	20	14,726,000	-	14,726,000
20	Sub-Registrar, Okara	2024-0000003428_F00013	4	7,617,325	-	7,617,325
<b>Total</b>			<b>4700</b>	<b>2,928,590,760</b>	<b>106,864,210</b>	<b>2,821,726,550</b>

[Annexure -3]

**1.4.2 Short realization of Stamp Duty on transfer of immovable property -Rs. 1,274.218 million**

(Amount in Rs.)

Sr.	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
1	Sub Registrar, DG Khan	2024-0000001563_F00001	128	5,557,232	1,759,890	3,797,342
2	Sub Registrar, DG Khan	2024-0000001563_F00004	4	4,320,416	-	4,320,416
3	Sub Registrar, DG Khan	2024-0000001563_F00006	16	508,791	62,615	446,176
4	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00001	102	14,076,750	-	14,076,750
5	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00006	6	392,050	-	392,050
6	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00008	1	64,500	-	64,500

Sr.	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
7	Sub Registrar, Samanabad	2024-0000001293_F00001	356	24,252,227	-	24,252,227
8	Sub Registrar, Samanabad	2024-0000001293_F00003	44	1,341,545	-	1,341,545
9	Sub Registrar, Samanabad	2024-0000001293_F00006	1	487,500	-	487,500
10	Sub Registrar, Samanabad	2024-0000001293_F00008	1	2,501,800	-	2,501,800
11	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00004	299	17,550,879	-	17,550,879
12	Sub-Registrar, Renala District Okara	2024-0000003281_F00003	8	20,996,621	7,627,972	13,368,649
13	Sub-Registrar, Renala District Okara	2024-0000003281_F00007	4	1,189,602	1,069,602	120,000
14	Sub-Registrar, Okara	2024-0000003428_F00002	36	10,206,001	-	10,206,001
15	Sub-Registrar, Okara	2024-0000003428_F00011	24	7,075,455	-	7,075,455
16	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00002	264	10,694,498	1,944,241	8,750,257
17	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00006	34	1,295,174	374,803	920,371
18	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00002	609	29,423,806	-	29,423,806
19	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00005	42	1,890,844	-	1,890,844
20	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00004	361	31,116,706	-	31,116,706
21	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00007	256	1,836,381	-	1,836,381
22	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00008	5	1,139,963	-	1,139,963

Sr.	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
23	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00006	23	18,443,204	-	18,443,204
24	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00007	239	16,682,001	-	16,682,001
25	Sub Registrar, Ferozwala	2024-0000004885_F00002	183	35,294,223	-	35,294,223
26	Sub Registrar, Ferozwala	2024-0000004885_F00007	33	1,474,841	-	1,474,841
27	Sub Registrar, Ferozwala	2024-0000004885_F00009	614	14,428,248	-	14,428,248
28	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00004	147	28,914,731	1,966,710	26,948,021
29	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00007	73	973,146	-	973,146
30	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00008	29	1,130,154	-	1,130,154
31	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00009	5	1,346,396	-	1,346,396
32	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00010	14	1,159,418	929,420	229,998
33	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00003	5	185,355,924	-	185,355,924
34	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00006	31	62,273,113	-	62,273,113
35	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00007	392	28,614,741	-	28,614,741
36	Sub Registrar, Chiniot	2024-0000004909_F00004	135	7,075,227	342,858	6,732,369
37	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00001	1	415,676,397	-	415,676,397

Sr.	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
38	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00004	2207	117,862,760	-	117,862,760
39	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00007	73	21,409,411	-	21,409,411
40	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00008	5	15,357,503	-	15,357,503
41	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00004	241	9,881,651	-	9,881,651
42	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00006	35	825,260	8,662	816,598
43	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00007	43	1,128,138	-	1,128,138
44	Sub-Registrar, Urban I & II. G.wala	2024-0000004910_F00005	2	117,080,000	-	117,080,000
<b>Total</b>			<b>7131</b>	<b>1,290,305,228</b>	<b>16,086,773</b>	<b>1,274,218,455</b>

**[Annexure -4]**

**1.4.3 Less realization of withholding tax u/s 236-k from buyers on transfer of immovable property - Rs.1,214.30 million**

*(Amount in Rs.)*

Sr. #	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
1	ARC, Muridke	2024-0000001352_F00003	35	10,616,507	-	10,616,507
2	ARC, Muridke	2024-0000001352_F00005	123	1,311,882	-	1,311,882
3	ARC, Muridke	2024-0000001352_F00007	26	2,813,000	-	2,813,000
4	ARC, Muridke	2024-0000001352_F00008	5	3,891,600	-	3,891,600
5	Sub Registrar, DG Khan	2024-0000001563_F00005	3	516,034	-	516,034

Sr. #	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
6	Sub Registrar, DG Khan	2024-0000001563_F00008	6	432,281	-	432,281
7	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00003	59	75,316,259	-	75,316,259
8	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00004	62	45,955,590	15,303,380	30,652,210
9	ARC, Minchinabad	2024-0000001517_F00002	512	24,493,437	1,279,060	23,214,377
10	ARC, Minchinabad	2024-0000001517_F00008	7	1,558,760	-	1,558,760
11	ARC, Tandlewala	2024-0000001360_F00002	132	11,607,737	2,528,740	9,078,997
12	ARC, Tandlewala	2024-0000001360_F00006	10	559,732	317,446	242,286
13	ARC, Tandlewala	2024-0000001360_F00007	3	884,480	-	884,480
14	Sub Registrar, Samanabad	2024-0000001293_F00004	299	40,587,726	-	40,587,726
15	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00002	362	24,840,069	2,880,947	21,959,122
16	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00005	71	28,676,620	80,004	28,596,616
17	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00007	3	434,240	-	434,240
18	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00008	1	283,826	180,617	103,209
19	Sub-Registrar, Renala District Okara	2024-0000003281_F00002	23	27,774,606	3,160,807	24,613,798
20	Sub-Registrar, Renala District Okara	2024-0000003281_F00006	12	2,993,624	-	2,993,624
21	Sub-Registrar, Okara	2024-0000003428_F00001	82	39,670,754	-	39,670,754

Sr. #	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
22	Sub-Registrar, Okara	2024-0000003428_F00004	35	10,602,493	-	10,602,493
23	Sub-Registrar, Okara	2024-0000003428_F00009	79	27,312,053	-	27,312,053
24	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00003	92	13,057,728	-	13,057,728
25	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00004	94	22,050,457	-	22,050,457
26	ADLR Gujrat	2024-0000004511_F00003	126	5,728,028	654,250	5,073,778
27	ADLR Gujrat	2024-0000004511_F00004	116	15,166,152	-	15,166,152
28	ADLR Gujrat	2024-0000004511_F00007	22	3,950,600	-	3,950,600
29	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00003	467	30,561,175	-	30,561,175
30	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00006	33	5,455,228	-	5,455,228
31	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00002	223	30,741,172	-	30,741,172
32	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00005	884	24,233,974	-	24,233,974
33	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00004	199	81,802,451	-	81,802,451
34	Sub Registrar, Ferozwala	2024-0000004885_F00005	600	159,701,848	-	159,701,848
35	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00002	107	18,785,809	5,802,042	12,983,767
36	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00005	150	14,703,272	-	14,703,272
37	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00004	306	152,218,583	-	152,218,583

Sr. #	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
38	Sub Registrar, Chiniot	2024-0000004909_F00005	105	5,078,526	-	5,078,526
39	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00002	2469	229,563,542	-	229,563,542
40	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00006	77	77,756,532	48,592,422	29,164,110
41	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00002	172	12,217,798	1,121,018	11,096,780
42	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00008	286	10,294,977	-	10,294,977
<b>Total</b>			<b>8,478</b>	<b>1,296,201,162</b>	<b>81,900,733</b>	<b>1,214,300,428</b>

**[Annexure -5]**

**1.4.5 Non/Less- realization of withholding tax u/s 236-c from sellers on transfer of immovable property – Rs. 769.40 million**

*(Amount in Rs.)*

Sr. #	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
1	ARC, Muridke	2024-0000001352_F00006	38	1,317,380	-	1,317,380
2	Sub Registrar, DG Khan	2024-0000001563_F00003	229	7,918,356	-	7,918,356
3	Sub Registrar, DG Khan	2024-0000001563_F00010	14	749,776	-	749,776
4	Sub Registrar, Iqbal town, LHR	2024-0000001292_F00005	140	53,317,856	23,212,232	30,105,624
5	ARC, Minchinabad	2024-0000001517_F00003	620	15,795,424	399,400	15,396,024
6	ARC, Minchinabad	2024-0000001517_F00006	20	5,158,790	-	5,158,790
7	ARC, Minchinabad	2024-0000001517_F00007	21	1,332,900	11,000	1,321,900

Sr .#	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
8	ARC, Tandlewala	2024-0000001360_F00003	318	11,950,406	1,394,620	10,555,786
9	Sub Registrar, Samanabad	2024-0000001293_F00005	317	19,298,464	-	19,298,464
10	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00003	361	49,826,327	31,418,350	18,407,977
11	Sub Registrar, Allama Iqbal Town, Lahore	2024-0000002764_F00006	71	16,386,640	322,000	16,064,640
12	Sub-Registrar, Renala District Okara	2024-0000003281_F00005	8	11,705,500	30,000	11,675,500
13	Sub-Registrar, Okara	2024-0000003428_F00003	118	25,535,528	-	25,535,528
14	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00005	74	13,749,537	-	13,749,537
15	ADLR Gujrat	2024-0000004511_F00001	496	18,022,509	913,000	17,109,509
16	ADLR Gujrat	2024-0000004511_F00005	94	2,164,749	582,220	1,582,529
17	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00004	576	25,665,556	-	25,665,556
18	Sub Registrar, Data Nagar Town, Lahore	2024-0000004513_F00007	33	3,545,881	-	3,545,881
19	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00003	197	14,616,148	-	14,616,148
20	Sub Registrar, Samnabad Town Lahore	2024-0000004732_F00006	869	25,388,042	-	25,388,042
21	Sub Registrar, Aziz Bhatti Town Lahoe	2024-0000004878_F00005	281	74,251,971	-	74,251,971
22	Sub Registrar, Ferozwala	2024-0000004885_F00006	529	71,313,235	-	71,313,235
23	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00003	107	10,788,308	3,628,078	7,160,230

Sr .#	Name of Formation	Para ID	No of cases	Amount Pointed Out	Amount Verified	Balance
24	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00006	188	51,030,260	-	51,030,260
25	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00005	313	86,591,177	-	86,591,177
26	Sub Registrar, Chiniot	2024-0000004909_F00006	81	2,553,416	-	2,553,416
27	Sub Registrar, Urban(I&II) Gujranwala	2024-0000004910_F00003	2379	189,453,946	-	189,453,946
28	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00003	181	13,736,965	2,103,567	11,633,398
29	Sub Registrar, Ravi Town Lahore	2024-0000005229_F00009	269	10,252,055	-	10,252,055
<b>Total</b>			<b>8942</b>	<b>833,417,102</b>	<b>64,014,467</b>	<b>769,402,635</b>

[Annexure -6]

**1.4.7 Short realization of Government taxes due to misclassify the transfer of ownership of land by treating renouncement of claim “dastbardari” -Rs. 426.69 million**

(Amount in Rs.)

Sr.	Audit Title	AMIS Para ID	No. of cases	Amount Pointed Out	Verified	Balance
1	Sub-Registrar, Okara	2024-0000003428_F00005	76	30,281,476	-	30,281,476
2	Sub Registrar, Aziz Bhatti Town Lahore	2024-0000004878_F00008	57	8,753,296	-	8,753,296
3	Sub Registrar, Ferozwala	2024-0000004885_F00008	8	3,736,845	-	3,736,845
4	Sub Registrar, Rawalpindi (Urban-I + Rural)	2024-0000004889_F00011	10	4,269,977	75,999	4,193,978
5	Sub Registrar, Nishtar Town, Lahore	2024-0000004895_F00001	193	296,781,669	-	296,781,669
6	Sub Registrar, Chiniot	2024-0000004909_F00007	57	32,491,331	-	32,491,331
7	Sub Registrar, Chiniot	2024-0000004909_F00008	5	47,382,151	-	47,382,151

Sr.	Audit Title	AMIS Para ID	No. of cases	Amount Pointed Out	Verified	Balance
8	Sub Registrar, Ravi Town Lahore	2024- 0000005229_F00005	90	3,073,680	-	3,073,680
<b>Total</b>			<b>496</b>	<b>426,770,425</b>	<b>75,999</b>	<b>426,694,426</b>

[Annexure-7]

### 2.4.1 Short assessment of property tax due to considering rented properties as self - Rs. 4,459.919 million

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024- 0000001526_F00002	1020	159,753,664	-	159,753,664
2	ETO Gujranwala	2024- 0000001527_F00015	238	14,960,904	926,424	14,034,480
3	ETO, Zone- XII, Lahore	2024- 0000002747_F00002	160	5,444,354	-	5,444,354
4	ETO, Rawalpindi	2024- 0000003290_F00003	164	13,899,984	65,696	13,834,288
5	ETO, Zone-V, Lahore	2024- 0000003429_F00002	330	37,819,692	-	37,819,692
6	ETO, Zone- VII, Lahore	2024- 0000003430_F00008	35	13,263,238	-	13,263,238
7	DG Excise & Taxation, Lahore	2024- 0000003928_F00013	19450	4,127,862,800	-	4,127,862,800
8	ETO, Zone-II, Lahore	2024- 0000003929_F00003	73	12,782,364	4,367,064	8,415,300
9	ETO, Zone-II, Lahore	2024- 0000003929_F00004	39	1,377,949	43,457	1,334,492
10	ETO, Multan	2024- 0000004900_F00022	16	8,275,971	-	8,275,971
11	ETO Sheikhupura	2024- 0000004904_F00003	39	423,384	-	423,384
12	ETO Sheikhupura	2024- 0000004904_F00012	68	16,827,192	1,890,360	14,936,832
13	ETO, Zone-VI, Lahore	2024- 0000005517_F00003	1274	54,521,440	-	54,521,440
<b>Total</b>			<b>22906</b>	<b>4,467,212,936</b>	<b>7,293,001</b>	<b>4,459,919,935</b>

[Annexure-8]

**2.4.2 Non realization of arrears of property tax - Rs. 1,722.229 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00013	4803	450,739,285	8,198,660	442,540,625
2	ETO Gujranwala	2024-0000001527_F00004	1685	207,032,287	1,332,385	205,699,902
3	ETO, Zone-XII, Lahore	2024-0000002747_F00005	132	5,887,326	1,173,032	4,714,294
4	ETO, Rawalpindi	2024-0000003290_F00006	1288	286,036,444	7,080,650	278,955,794
5	ETO, Rawalpindi	2024-0000003290_F00014	357	29,619,881	2,571,486	27,048,395
6	ETO, Zone-V, Lahore	2024-0000003429_F00008	224	5,281,591	61,146	5,220,445
7	ETO, Zone-V, Lahore	2024-0000003429_F00009	704	53,978,789	5,007,675	48,971,114
8	ETO, Zone-VII, Lahore	2024-0000003430_F00001	1141	107,379,639	6,578,205	100,801,434
9	ETO Zone-X, Lahore	2024-0000003799_F00006	182	46,507,044	6,349,502	40,157,542
10	ETO, Zone-II, Lahore	2024-0000003929_F00010	1600	56,517,182	1,837,802	54,679,380
11	ETO, Multan	2024-0000004900_F00006	1957	40,097,410	3,237,036	36,860,374
12	ETO Sheikhpura	2024-0000004904_F00010	4301	190,137,502	-	190,137,502
13	ETO, Zone-III, Lahore	2024-0000005227_F00004	1973	157,435,375	1,964,620	155,470,755
14	ETO, Zone-III, Lahore	2024-0000005227_F00013	68	1,275,829	-	1,275,829
15	ETO, Okara	2024-0000005331_F00004	446	11,392,821	456,269	10,936,552
16	ETO, Zone-IV, Lahore	2024-0000005452_F00004	453	50,318,762	8,763,205	41,555,557
17	ETO, Zone-IV, Lahore	2024-0000005452_F00010	93	6,891,797	234,071	6,657,726
18	ETO, Zone-VI, Lahore	2024-0000005517_F00001	222	68,563,608	-	68,563,608
19	ETO, Zone-VI, Lahore	2024-0000005517_F00012	66	1,982,200	-	1,982,200
<b>Total</b>			<b>21695</b>	<b>1,777,074,772</b>	<b>54,845,744</b>	<b>1,722,229,028</b>

[Annexure-9]

**2.4.3 Less realization of property tax due to applying incorrect valuation categories -Rs. 243.076 million**

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00001	4011	93,150,801	-	93,150,801
2	ETO Gujranwala	2024-0000001527_F00001	1240	21,312,045	57,732	21,254,313
3	ETO, Zone-XII, Lahore	2024-0000002747_F00006	71	4,459,312	-	4,459,312
4	ETO, Rawalpindi	2024-0000003290_F00001	491	34,304,385	1,881,321	32,423,064
5	ETO, Zone-V, Lahore	2024-0000003429_F00001	33	4,097,131	-	4,097,131
6	ETO, Zone-VII, Lahore	2024-0000003430_F00011	744	6,850,519	-	6,850,519
7	ETO Zone-X, Lahore	2024-0000003799_F00001	418	1,199,464	-	1,199,464
8	ETO, Zone-II, Lahore	2024-0000003929_F00001	206	923,520	-	923,520
9	ETO, Multan	2024-0000004900_F00001	1138	8,805,089	457,474	8,347,615
10	ETO Sheikhpura	2024-0000004904_F00001	15	508,536	-	508,536
11	ETO, Okara	2024-0000005331_F00003	1078	31,109,434	29,626,312	1,483,122
12	ETO, Zone-IV, Lahore	2024-0000005452_F00001	853	26,792,070	-	26,792,070
13	ETO, Zone-VI, Lahore	2024-0000005517_F00002	888	41,586,641	-	41,586,641
<b>Total</b>			<b>11186</b>	<b>275,098,947</b>	<b>32,022,839</b>	<b>243,076,108</b>

[Annexure-10]

**2.4.5 Short realization of property tax due to wrong assessment of hotels – Rs.241.661 million**

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	DG Excise & Taxation, Lahore	2024-0000001281_F00020	934	146,631,925	-	146,631,925
2	ETO Faisalabad	2024-0000001526_F00012	11	16,568,080	-	16,568,080
3	ETO, Zone-V, Lahore	2024-0000003429_F00017	12	47,124,870	-	47,124,870
4	ETO, Zone-VII, Lahore	2024-0000003430_F00012	7	6,742,218	1,463,752	5,278,466
5	ETO Zone-X, Lahore	2024-0000003799_F00007	21	6,400,275	-	6,400,275
6	ETO, Multan	2024-0000004900_F00018	52	5,053,790	289,263	4,764,527
7	ETO, Zone-III, Lahore	2024-0000005227_F00006	43	11,013,693	-	11,013,693
8	ETO, Zone-IV, Lahore	2024-0000005452_F00019	10	3,879,220	-	3,879,220
<b>Total</b>			<b>1090</b>	<b>243,414,071</b>	<b>1,753,015</b>	<b>241,661,056</b>

[Annexure-11]

**2.4.6 Non/short realization of property tax due to under assessing the Rental Values of properties -Rs. 228.524 million**

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00006	102	33,755,559	-	33,755,559
2	ETO, Zone-V, Lahore	2024-0000003429_F00018	125	74,653,702	-	74,653,702
3	ETO, Zone-VII, Lahore	2024-0000003430_F00003	45	24,323,355	-	24,323,355
4	ETO, Zone-VII, Lahore	2024-0000003430_F00004	15	23,234,601	-	23,234,601
5	ETO, Zone-VII, Lahore	2024-0000003430_F00007	3	14,700,187	-	14,700,187

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
6	ETO, Zone-VII, Lahore	2024-0000003430_F00017	2	1,802,817	-	1,802,817
7	ETO, Zone-VII, Lahore	2024-0000003430_F00009	1	11,040,077	-	11,040,077
8	ETO, Zone-VII, Lahore	2024-0000003430_F00018	20	16,348,752	-	16,348,752
9	ETO Zone-X, Lahore	2024-0000003799_F00004	306	10,011,044	5,928	10,005,116
10	ETO, Multan	2024-0000004900_F00012	110	2,266,913	410,524	1,856,389
11	ETO, Multan	2024-0000004900_F00023	3	1,971,800	-	1,971,800
12	ETO Sheikhpura	2024-0000004904_F00021	25	441,865	-	441,865
13	ETO, Zone-III, Lahore	2024-0000005227_F00009	23	403,231	-	403,231
14	ETO, Okara	2024-0000005331_F00008	15	4,309,736	944,791	3,364,945
15	ETO, Zone-IV, Lahore	2024-0000005452_F00009	9	333,153	38,684	294,469
16	ETO, Zone-VI, Lahore	2024-0000005517_F00005	10	10,327,526	-	10,327,526
<b>Total</b>			<b>814</b>	<b>229,924,318</b>	<b>1,399,927</b>	<b>228,524,391</b>

[Annexure-12]

#### 2.4.7 Short realization of property tax due to change in status of purpose-built properties -Rs. 172.698 million

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00008	136	33,706,414	-	33,706,414
2	ETO Gujranwala	2024-0000001527_F00002	135	5,825,319	-	5,825,319
3	ETO, Rawalpindi	2024-0000003290_F00002	17	13,150,508	-	13,150,508
4	ETO, Rawalpindi	2024-0000003290_F00005	177	4,835,467	420,615	4,414,852
5	ETO, Zone-V, Lahore	2024-0000003429_F00006	7	21,289,917	-	21,289,917

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
6	ETO, Zone-VII, Lahore	2024-0000003430_F00005	9	19,334,590	-	19,334,590
7	ETO Zone-X, Lahore	2024-0000003799_F00002	10	1,741,144	14,262	1,726,882
8	ETO, Zone-II, Lahore	2024-0000003929_F00002	11	2,243,898	-	2,243,898
9	ETO, Zone-II, Lahore	2024-0000003929_F00007	37	1,895,043	4,410	1,890,633
10	ETO Sheikhpura	2024-0000004904_F00002	17	3,032,219	-	3,032,219
11	ETO Sheikhpura	2024-0000004904_F00024	23	144,534	-	144,534
12	ETO, Okara	2024-0000005331_F00001	63	49,097,993	20,184,953	28,913,040
13	ETO, Zone-IV, Lahore	2024-0000005452_F00018	18	3,235,715	394,693	2,841,022
14	ETO, Zone-VI, Lahore	2024-0000005517_F00007	39	34,184,313	-	34,184,313
<b>Total</b>			<b>699</b>	<b>193,717,074</b>	<b>21,018,933</b>	<b>172,698,141</b>

[Annexure-13]

**2.4.10 Non realization of property tax from state owned autonomous organizations -Rs. 144.107 million**

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Gujranwala	2024-0000001527_F00007	16	21,184,117	-	21,184,117
2	ETO Faisalabad	2024-0000001526_F00020	97	6,625,215	-	6,625,215
3	ETO, Rawalpindi	2024-0000003290_F00013	7	6,262,174	-	6,262,174
4	ETO, Zone-V, Lahore	2024-0000003429_F00013	20	3,347,505	-	3,347,505
5	ETO, Zone-VII, Lahore	2024-0000003430_F00002	9	31,450,293	-	31,450,293
6	ETO, Zone-II, Lahore	2024-0000003929_F00020	1	2,616,847	-	2,616,847
7	ETO, Zone-III, Lahore	2024-0000005227_F00019	5	63,520,470	-	63,520,470

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
8	ETO, Okara	2024-0000005331_F00009	9	1,749,043	-	1,749,043
9	ETO, Zone-VI, Lahore	2024-0000005517_F00011	6	7,351,236	-	7,351,236
<b>Total</b>			<b>170</b>	<b>144,106,900</b>	<b>-</b>	<b>144,106,900</b>

[Annexure-14]

**2.4.11 Short-assessment of property tax of grid stations -Rs. 106.443 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP No.	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00025	8	89,503,175	-	89,503,175
2	ETO Gujranwala	2024-0000001527_F00012	3	6,832,779	-	6,832,779
3	ETO, Rawalpindi	2024-0000003290_F00019	2	1,011,624	289,465	722,159
4	ETO Sheikhpura	2024-0000004904_F00022	5	8,240,333	-	8,240,333
5	ETO, Zone-III, Lahore	2024-0000005227_F00015	1	656,571	-	656,571
6	ETO, Zone-IV, Lahore	2024-0000005452_F00015	1	487,946	-	487,946
<b>Total</b>			<b>20</b>	<b>106,732,428</b>	<b>289,465</b>	<b>106,442,963</b>

[Annexure-15]

**2.4.12 Non-realization of property tax from un-exempted trust - Rs. 85.238 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Zone-XII, Lahore	2024-0000002747_F00009	14	452,218	-	452,218
2	ETO, Rawalpindi	2024-0000003290_F00021	78	36,108,145	17,439,585	18,668,560
3	ETO, Zone-V, Lahore	2024-0000003429_F00011	8	17,354,568	-	17,354,568
4	ETO, Zone-VII, Lahore	2024-0000003430_F00006	24	16,694,550	-	16,694,550

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
5	ETO Zone-X, Lahore	2024-0000003799_F00014	3	2,505,183	-	2,505,183
6	ETO, Multan	2024-0000004900_F00015	12	1,277,148	1,135,700	141,448
7	ETO, Zone-IV, Lahore	2024-0000005452_F00014	19	12,122,083	-	12,122,083
8	ETO, Zone-VI, Lahore	2024-0000005517_F00010	4	17,299,238	-	17,299,238
<b>Total</b>			<b>162</b>	<b>103,813,133</b>	<b>18,575,285</b>	<b>85,237,848</b>

[Annexure-16]

**2.4.13 Short realization of property tax due to application of off-road rates to properties located in commercial clusters - Rs. 70.925 million**

(Amount in Rupees)

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00003	3349	16,837,288	-	16,837,288
2	ETO Gujranwala	2024-0000001527_F00003	1014	28,043,408	10,756,264	17,287,144
3	ETO, Rawalpindi	2024-0000003290_F00004	522	12,681,173	937,256	11,743,917
4	ETO, Zone-VII, Lahore	2024-0000003430_F00015	615	2,807,467	-	2,807,467
5	ETO Zone-X, Lahore	2024-0000003799_F00003	627	558,264	-	558,264
6	ETO, Zone-II, Lahore	2024-0000003929_F00006	69	2,882,924	-	2,882,924
7	ETO, Multan	2024-0000004900_F00002	62	1,832,501	403,011	1,429,490
8	ETO, Multan	2024-0000004900_F00004	284	1,842,723	433,087	1,409,636
9	ETO Sheikhpura	2024-0000004904_F00004	900	1,496,159	-	1,496,159
10	ETO Sheikhpura	2024-0000004904_F00005	77	942,746	-	942,746
11	ETO, Zone-III, Lahore	2024-0000005227_F00001	2354	2,265,208	-	2,265,208
12	ETO, Zone-III, Lahore	2024-0000005227_F00011	17	240,129	-	240,129
13	ETO, Zone-III, Lahore	2024-0000005227_F00012	162	858,366	-	858,366

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
14	ETO, Okara	2024-0000005331_F00013	59	111,831	46,190	65,641
15	ETO, Zone-IV, Lahore	2024-0000005452_F00002	714	7,607,989	-	7,607,989
16	ETO, Zone-VI, Lahore	2024-0000005517_F00008	406	2,492,265	-	2,492,265
<b>Total</b>			<b>11231</b>	<b>83,500,441</b>	<b>12,575,808</b>	<b>70,924,633</b>

[Annexure-17]

**2.4.15 Non realization of property tax on vacant plots  
-Rs. 63.952 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00014	183	7,797,320	-	7,797,320
2	ETO Gujranwala	2024-0000001527_F00014	287	3,026,795	-	3,026,795
3	ETO Gujranwala	2024-0000001527_F00017	363	1,039,115	6,889	1,032,226
4	ETO, Rawalpindi	2024-0000003290_F00015	812	21,790,624	774,284	21,016,340
5	ETO, Zone-V, Lahore	2024-0000003429_F00010	35	5,996,260	262,876	5,733,384
6	ETO, Zone-VII, Lahore	2024-0000003430_F00010	47	8,923,461	-	8,923,461
7	ETO, Zone-II, Lahore	2024-0000003929_F00019	21	1,677,628	2,031	1,675,597
8	ETO, Multan	2024-0000004900_F00010	302	3,783,955	27,613	3,756,342
9	ETO Sheikhpura	2024-0000004904_F00019	70	1,319,417	-	1,319,417
10	ETO, Zone-III, Lahore	2024-0000005227_F00005	73	2,786,079	6,436	2,779,643
11	ETO, Zone-IV, Lahore	2024-0000005452_F00006	70	2,518,879	347,283	2,171,596
12	ETO, Zone-VI, Lahore	2024-0000005517_F00009	68	4,719,627	-	4,719,627
<b>Total</b>			<b>2331</b>	<b>65,379,160</b>	<b>1,427,412</b>	<b>63,951,748</b>

[Annexure-18]

**2.4.16 Non realization of property tax due to allowing excess exemption to more than one five marla houses -Rs. 58.930 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Gujranwala	2024-0000001527_F00005	339	47,663,037	-	47,663,037
2	ETO Faisalabad	2024-0000001526_F00022	173	957,803	40,935	916,868
3	ETO, Zone-XII, Lahore	2024-0000002747_F00003	89	5,219,167	316,787	4,902,380
4	ETO, Rawalpindi	2024-0000003290_F00011	36	2,341,536	132,044	2,209,492
5	ETO, Zone-V, Lahore	2024-0000003429_F00015	33	696,600	-	696,600
6	ETO Zone-X, Lahore	2024-0000003799_F00009	33	1,351,940	250,060	1,101,880
7	ETO, Zone-II, Lahore	2024-0000003929_F00012	20	917,446	-	917,446
8	ETO Sheikhpura	2024-0000004904_F00017	98	332,300	-	332,300
9	ETO, Zone-III, Lahore	2024-0000005227_F00014	77	194,049	4,044	190,005
<b>Total</b>			<b>898</b>	<b>59,673,878</b>	<b>743,870</b>	<b>58,930,008</b>

[Annexure-19]

**2.4.18 In-Admissible exemption to commercial/residential property from "Regular" property units -Rs. 45.376 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Rawalpindi	2024-0000003290_F00023	214	2,718,554	553,370	2,165,184
2	ETO, Rawalpindi	2024-0000003290_F00026	11	3,036,320	-	3,036,320
3	ETO Zone-X, Lahore	2024-0000003799_F00015	20	1,191,984	67,200	1,124,784

Sr .	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
4	ETO Zone-X, Lahore	2024-0000003799_F00017	15	2,451,610	36,600	2,415,010
5	ETO, Zone-II, Lahore	2024-0000003929_F00009	71	2,645,940	-	2,645,940
6	ETO, Multan	2024-0000004900_F00017	272	2,829,742	2,172,241	657,501
7	ETO Sheikhpura	2024-0000004904_F00013	14	555,957	-	555,957
8	ETO Sheikhpura	2024-0000004904_F00026	7	308,784	-	308,784
9	ETO, Zone-III, Lahore	2024-0000005227_F00003	95	26,107,846	-	26,107,846
10	ETO, Okara	2024-0000005331_F00005	25	5,817,510	-	5,817,510
11	ETO, Zone-IV, Lahore	2024-0000005452_F00005	18	1,248,162	707,388	540,774
<b>Total</b>			<b>762</b>	<b>48,912,409</b>	<b>3,536,799</b>	<b>45,375,610</b>

[Annexure-20]

**2.4.19 Short realization of property tax due to wrong remission  
-Rs. 48.249 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO Faisalabad	2024-0000001526_F00004	57	22,612,805	-	22,612,805
2	ETO, Zone-XII, Lahore	2024-0000002747_F00001	57	1,873,286	-	1,873,286
3	ETO, Zone-V, Lahore	2024-0000003429_F00003	5	5,061,039	-	5,061,039
4	ETO, Zone-VII, Lahore	2024-0000003430_F00014	18	3,359,535	-	3,359,535
5	ETO Zone-X, Lahore	2024-0000003799_F00005	26	3,638,654	374,949	3,263,705
6	ETO, Multan	2024-0000004900_F00020	127	2,936,045	-	2,936,045
7	ETO, Zone-III, Lahore	2024-0000005227_F00002	66	2,938,057	-	2,938,057
8	ETO, Okara	2024-0000005331_F00012	3	242,818	23,416	219,402
9	ETO, Zone-IV, Lahore	2024-0000005452_F00003	52	711,758	-	711,758

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
10	ETO, Zone-VI, Lahore	2024-0000005517_F00004	46	5,274,260	-	5,274,260
<b>Total</b>			<b>457</b>	<b>48,648,257</b>	<b>398,365</b>	<b>48,249,892</b>

[Annexure-21]

**2.4.21 Short assessment of property tax by considering the petrol pumps as self-properties -Rs. 39.588 million**

(Amount in Rupees)

Sr.	Name of Formation	PDP	No of Cases	Amount Pointed Out	Amount Verified	Balance
1	ETO, Zone-V, Lahore	2024-0000003429_F00005	2	6,541,553	-	6,541,553
2	ETO, Zone-VII, Lahore	2024-0000003430_F00016	9	2,987,432	-	2,987,432
3	ETO Zone-X, Lahore	2024-0000003799_F00013	5	6,013,960	-	6,013,960
4	ETO, Multan	2024-0000004900_F00014	135	9,096,205	147,532	8,948,673
5	ETO Sheikhpura	2024-0000004904_F00009	36	5,785,212	-	5,785,212
6	ETO, Zone-III, Lahore	2024-0000005227_F00016	5	974,410	-	974,410
7	ETO, Okara	2024-0000005331_F00006	63	5,436,450	-	5,436,450
8	ETO, Zone-IV, Lahore	2024-0000005452_F00017	1	399,000	-	399,000
9	ETO, Zone-VI, Lahore	2024-0000005517_F00006	6	2,501,496	-	2,501,496
<b>Total</b>			<b>262</b>	<b>39,735,718</b>	<b>147,532</b>	<b>39,588,186</b>

[Annexure-22]

**2.4.25 Short assessment of property tax on towers -  
Rs. 17.874 million**

(Amount in Rupees)

<b>Sr #.</b>	<b>Name of Formation</b>	<b>PDP</b>	<b>No of Cases</b>	<b>Amount Pointed Out</b>	<b>Amount Verified</b>	<b>Balance</b>
1	ETO Faisalabad	2024-0000001526_F00017	21	2,565,000	-	2,565,000
2	ETO Gujranwala	2024-0000001527_F00009	60	4,657,500	-	4,657,500
3	ETO, Rawalpindi	2024-0000003290_F00008	81	6,318,000	835,750	5,482,250
4	ETO, Zone-V, Lahore	2024-0000003429_F00012	3	1,269,000	405,000	864,000
5	ETO, Multan	2024-0000004900_F00008	22	2,943,000	1,620,000	1,323,000
6	ETO Sheikhpura	2024-0000004904_F00006	80	1,811,880	-	1,811,880
7	ETO, Zone-III, Lahore	2024-0000005227_F00017	3	450,000	-	450,000
8	ETO, Okara	2024-0000005331_F00010	6	720,000	-	720,000
<b>Total</b>			<b>276</b>	<b>20,734,380</b>	<b>2,860,750</b>	<b>17,873,630</b>

**List of Low Ranked Paras  
(Board of Revenue Department)**

<b>Sr #</b>	<b>Audit Title</b>	<b>PARA ID</b>	<b>Subject of Para</b>	<b>Amount</b>
1	Sub Registrar, Samanabad	2024-0000001293_F00007	Non-reconciliation of revenue statement from Accountant General Punjab office/Treasury Office.	0
2	ARC, Tandlewala	2024-0000001360_F00011	Non Finalization of pending oral Mutations	0
3	ARC, Minchinabad	2024-0000001517_F00014	Non Finalization of pending oral Mutations	0
4	Sub Registrar, DG Khan	2024-0000001563_F00011	Non-Reconciliation of Revenue Figure with the District Accounts office	0
5	Sub-Registrar, Renala District Okara	2024-0000003281_F00012	Discrepancies in maintenance of record and process relating to registration of sale deeds of immovea	0
6	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00008	Illegal Internal transfer by the Private Housing Schemes	0
7	Sub Registrar, Wahgha Town Lahore	2024-0000004320_F00009	Non-Reconciliation of Revenue Figure with the District Accounts office	0
8	Sub Registrar, Ferozwala	2024-0000004885_F00011	Improper User Management and Non availability of delisting of E-Stamp Data.	0
9	Sub Registrar, Ferozwala	2024-0000004885_F00012	Non-Reconciliation of Revenue Figure with the District Accounts office	0

**List of Low Ranked Paras  
(Excise & Taxation Department)**

<b>Sr. #</b>	<b>Audit Title</b>	<b>PARA ID</b>	<b>Subject of Para</b>	<b>Amount</b>
1	ETO Sheikhpura	2024-0000004904_F00037	Non- Resolving of Governance Issues, Pendency of 475 Number Plates & 37 smart Card	-
2	ETO Sheikhpura	2024-0000004904_F00036	Miscellaneous irregularities and weak internal controls	-

**List of Low Ranked Para  
(Punjab Revenue Authority)**

<b>Sr. #</b>	<b>Department</b>	<b>PARA ID</b>	<b>Subject of Para</b>	<b>Amount</b>
1	PRA	2024-0000005515_F00038	Non -Compliance Of Previous Years Audit Paras And Directives Of Sdacs Thereof	-

**List of Low Rank Para  
(Transport Department)**

<b>S r.</b>	<b>Audit Title</b>	<b>PARA ID</b>	<b>Subject of Para</b>	<b>Amount</b>
1	Secretary DRTA, Jhelum	2024-0000005329_F00006	Short realization of renewal fee of fitness certificates to vehicles Rs. 6,330	6,330

